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ABSTRACT

This document reports the oral and written testimony given by witnesses at a congressional hearing on Workforce 2000 (House Resolution 2235). Witnesses included educators, government education officials, business executives, teacher association representatives, and educational researchers. The witnesses considered the fact that, by the year 2000, most new entrants to the U.S. work force will be women, minorities, and immigrants--the most disadvantaged and the least prepared to take their place in the work force. The legislation under consideration makes several attempts to address this problem, by creating a trust fund in which contractors who do business with the Federal Government will deposit a small percentage to address these problems. Witnesses spoke of the terrible problems of illiteracy and unemployment, especially among black males. They detailed some educational programs that have been remarkably successful and they supported legislation to fund more education, training, and support services for the disadvantaged, minority groups, and women. (KC)

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HEARING ON WORKFORCE 2000 AND ON H.R. 2235

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HEARING

BEFORE THE

COMMITTEE ON EDUCATION AND LABOR
HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, JUNE 15, 1989

Serial No. 101-35

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HEARING ON WORKFORCE 2000 AND ON H.R. 2235

THURSDAY, JUNE 15, 1989

House of Representatives,
Committee on Education and Labor,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:37 p.m. in Room 2175, Rayburn House Office Building, Hon. Augustus F. Hawkins [Chairman] presiding.

Members present: Representatives Martinez, Owens, Hayes, Sawyer, Payne, Poshard, Jontz, Goodling, Gunderson, Grandy and Smith.

Staff present: Shirley J. Wilcher, associate counsel; Ricardo Martinez, legislative analyst; John W. Smith, special assistant to the chairman; and Randy Johnson, minority labor counsel.

Chairman Hawkins. The Committee on Education and Labor will be called to order. The Chair realizes that other members will be drifting in, but I also realize that many of our witnesses have other commitments, and we will get started.

The Chair will use the first part of this waiting period to open up the hearing with a brief statement. I would ask that my statement, in its entirety, be included in the hearing. I will, at this time, just briefly, make a few points from it.

We, at this time, are convening this hearing, as most of you know, of the full committee in order to receive testimony on what we believe to be one of the most critical issues to face the Congress at this time, the issue of the American workforce in the year 2000.

By that time, the majority of new entrants to the labor force will be women, minorities and immigrants. It is recognized that these are certainly among the most disadvantaged and the least prepared to take their place in the workforce.

There is, indeed, a critical shortage of skills and many Americans read at less than the seventh grade level. This is unacceptable and certainly it affects the prosperity, the security and the survival of the nation and unless we face it now and face it directly and head on, we certainly will not be prepared for the year 2000 or, as I usually say, for the decade of the Nineties.

The bill that we have introduced makes several attempts to address this problem. May I first of all caution any of you and the members of the committee that this is a discussion draft. There is no reason for anyone to come out in opposition to provisions in the bill.

What they should do is devote their time and energies to addressing any shortcomings in the proposal so that we may be unified in some consensus on what we are going to do about one of the most serious problems, and I would hope that we address the proposal in that rather flexible light.

The bill provides a new source of funding, one of the badly needed issues involved in proposals of this nature. It creates a trust fund that would be protected against budget cuts and it provides that the monies which are deposited in that trust fund be not really assessments but we request contractors who do business with the Federal Government to deposit some of that money, a very small amount—it has been proposed that it be about five-tenths of one percent—into the trust fund.

It would be obvious or it should be obvious that they would derive some benefit, also, from it as well as the rest of us.

The bill provides for codification of Executive Order 11246 so that we would provide some stability in addressing the problem of discrimination based on sex, race, creed, et cetera, in the statute, rather than depending on the Executive Order, as we do now. It would streamline the procedure, administrative procedure, providing adequate safeguards and the other changes in connection therewith.

This, then, is what the proposal is all about. I have briefed it. We will develop additional points as we go along and we look forward to our distinguished witnesses today to give us their views.

[The prepared statement of Hon. Augustus F. Hawkins follows:]

OPENING STATEMENT
OF
AUGUSTUS F. HAWKINS, CHAIRMAN, COMMITTEE ON EDUCATION AND LABOR

HEARING ON WORKFORCE 2000
and the
WORKFORCE 2000 EMPLOYMENT READINESS ACT OF 1989 (H.R. 2235)

We have convened this hearing of the Full Committee on Education and Labor in order to receive testimony on one of the most critical issues to face the Congress and the American people in recent times: the issue of the "Workforce in the year 2000". By the Year 2000, the majority of new entrants to the labor force will be women, minorities and immigrants. This simple demographic reality has generated much discussion and debate among members of the employer community, academia, equal employment opportunity advocates and policy makers, because the population which will be the most critical to our nation's future employment and productivity needs -- women and minorities -- is the least prepared to take its place in the workforce of the 21st century because of historical discrimination in education and employment, and because of poverty and poor academic preparation.

The dire statistics which confront us as we consider the problem of "Workforce 2000" are most troubling: millions of Americans cannot read above the 5th grade level, resulting in enormous costs to business to provide remedial training; the number of high school drop outs is staggering; the failure of American students to pursue advanced degrees in areas of national importance, such as engineering, the sciences, mathematics, and the teaching profession is undermining our nation's ability to compete in world markets; and the unquantifiable effects of a workplace environment which is hostile to women and minorities, "newcomers" to the corporate family, is having a devastating impact on job mobility and the motivation to excel.

On May 4, I introduced H.R. 2235, the Workforce 2000 Employment Readiness Act of 1989, which I believe is a catalyst for meeting our nation's future workforce needs through the provision of additional sources of funding for education and the strengthening of equal employment opportunity law. I believe that by establishing additional funding sources for education, and focusing training and skills development on the occupations and fields in which American businesses will need well-qualified workers, we will create a more competitive and diverse workforce and will increase the productivity of American business and labor in the 21st century. Through enhancing equal employment opportunity administrative procedures in the Department of Labor and by establishing more adequate employment data bases, H.R. 2235 will ensure women and minorities' full participation throughout the American workforce.

Today, we will hear testimony from those who understand well the current, undeniable demographic realities which we must confront and the challenge which lies ahead. Senator Paul Simon, Chairman of the Subcommittee on Employment and Productivity, has graciously agreed to convey his views on this important issue. William Brock, former Secretary of Labor, under whose thoughtful administration and foresight the concept of "Workforce 2000" was first developed, will also testify concerning the problem, as will the Commissioner of the Bureau of Labor Statistics, Ms. Janet Norwood.

I cannot overemphasize the importance of these hearings and of legislation such as H.R. 2235 in light of the current demographic realities and the nation's future employment needs. This is not simply a moral or a civil rights issue -- this is a matter of national security and survival in the world economy of the 21st century.

I want to welcome the various distinguished witnesses who will share their experience and expertise with us this morning. I am certain that every member of the Committee looks forward to receiving their testimony. We greatly appreciate your very generous assistance.

Chairman HAWKINS. Because of a time schedule, we will ask Senator Simon to open up the hearing. I know that he wants to get back to the Senate. He is anxious to get over to the Senate side. He left this committee some time ago. We regretted his leaving, but we feel that we do have a friend on the other side.

Even Senator Simon and I sometimes disagree on a few issues, but we do not fall out with each other; we get together and try to reconcile differences, and I would hope that would be the spirit that prevails today.

Paul, it is a pleasure to have you back in the old room where you committed so many sins and contributed so much to this committee, and we are looking forward to your testimony.

May I say to the witnesses, including the Senator, that we will put the full text of the statements in the record so that they may deal with the highlights of it. I know you say this all the time, Paul, on the other side. I say it over here, too.

STATEMENT OF SENATOR PAUL SIMON, CHAIRMAN, SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY, COMMITTEE ON LABOR AND HUMAN RESOURCES, UNITED STATES SENATE

Senator SIMON. All right. I would like to do that, Mr. Chairman, and it is good to be here with you, with Bill Goodling, with my colleagues of both parties, particularly my Illinois Congressmen, Glenn Poshard and Charlie Hayes, who I've known about forty years. It is good to be here.

You mentioned the sins that I committed here, Mr. Chairman. When I did not know how to vote, I checked with you and that is how I got all my bad votes here on this committee.

Chairman HAWKINS. Those are the sins I am talking about.

Senator SIMON. Let me, before I begin my brief remarks, and I would like to enter my full statement in the record, just take a moment to commend Bill Brock who is here. He is a former Senator from Tennessee and former Secretary of Labor.

As Secretary of Labor, he really pushed not only on the labor front, but on the education front. I recall one instance, particularly, when he testified before our Senate committee. At the hearing, I said, "I hear more about education from you than I do from the Secretary of Education." He has contributed a great deal. He has a vision of where this nation ought to go, and I simply want to commend him.

I will not talk about the specifics of your bill, Mr. Chairman, but I will talk about the broad outlines of where our nation is going in the future.

We have two trend lines out there that are very clear. The demand for unskilled labor is going down and the pool of unskilled labor is going up. The one trend is not going to change at all. The demand for unskilled labor is going to continue to go down.

The other line can change, but we have to do something about it and that means working on basic skills. I am going to introduce a literacy bill that will move to eradicate this problem. We need to do more than we have done in the past.

We have to look at the drop-out rate.

We have a 28 percent drop-out rate in the United States as compared to Japan, which has a two percent drop-out rate. We have to recognize that we have a problem.

The drop-out rate in New York City for Hispanics is 61 percent, for blacks, 58 percent. What kind of a future are we building for these people? What kind of a future are we building for this nation?

The reality is that 18 percent of the workforce today is composed of minorities and in the year 2000 that percentage will increase to 29 percent. The unemployment rate among the employable disabled is 85 percent. We have to do much, much better.

We are increasingly segregating ourselves on the basis of economics. It is less true in rural areas like Glenn Poshard's area than it is in Charlie Hayes' district.

The poor are not on our doorstep and so we tend to ignore them. We ignore them, ultimately, at the peril of the future of this nation. We have an underclass in our society and we had better face up to those realities.

Mr Chairman, you have a JTPA bill that you have introduced that is very similar to a bill that I have introduced. They are similar to the administration proposals. I think we are going to be able to come to agreement and pass an important and useful bill.

In the area of higher education, we have switched from about a three-to-one ratio for grants over loans to about a three-to-one ratio for loans over grants, causing many students to graduate with immense debt.

These debts dictate what people choose as careers. Do you become a social worker or do you go into business? If you go into business, you can pay off that loan much more easily. The debt postpones people from having families. I just talked two weeks ago to a young couple who will have to pay $711 a month for over five years in order to pay off their college loan debt. They are going to have to postpone having a house and a family.

There is also subtle discrimination in loans. I am not for doing away with loans, but I want to rectify that balance a little more. Those of us who are white males when we graduate from college, on the average, are going to earn more than those of you who are females and those who are members of minority groups, so it is easier for us to pay back our loans.

It is costing us. For example, we are spending more money this year on defaulted loans than we are spending on the Head Start Program. Now, that just doesn't make sense. We are just going to have to do better.

In the last decade, we have seen the cost of college rise, on the average, forty percent, but we have seen student aid rise only three percent when you add inflationary factors. How can we expect our young people to educate themselves? In our Federal budget, if you exclude the School Lunch Program, we devote two percent of the Federal budget to education.

Is this what we ought to be doing to really build for the year 2000? I do not think it is. One other, final point, Mr. Chairman. One of these years, we are going to pass a bill that I introduced when I was in the House and will reintroduce in the Senate—a bill which you have sponsored here in the House.

The bill—The Guaranteed Jobs Opportunities Act—provides that after you are out of work for five weeks, we will guarantee a job opportunity for you. After you are out of work for five weeks, a local committee of thirteen people will give you a job for 32 hours a week at the minimum wage. That is not much money, $464 a month, but the average family on welfare in Illinois gets $315 a month and Illinois pays better than most states. The average family on welfare in Alabama gets $113.70 a month. Don't ask me how you can live on that.

My jobs bill also included provisions to screen people as they came in to say, "If you can't read and write, we are going to get you into a program. If you have no marketable skill, we'll get you into a program." One of these days, I think we can and must pass that kind of a bill.

Then, finally, Mr. Chairman, I would add this: The great division in our society is not between black and white, not between Hispanic and Anglo, not even between rich and poor. It is between people that have hope and those who have given up. We have to give that spark of hope to people.

There are two ways to do it. One is to give them a job so they can feel that they are participating in society. The second is to give them greater educational opportunities. We are going to have to stress both of those things as we move to the year 2000. We are just going to have to do better.

We are also going to have to appeal to the noble in people. We have had leadership—and I don't mean to sound partisan, I say to my friends on the Republican side over here. We have had leadership that to a great extent has appealed to greediness. Our leadership has said: look out for yourself; are you better off than you were four years ago or eight years ago?

We have to have leadership from those of us in the Senate, from you in the House, and from the President that appeals to the noble in us. Leadership that says, "Let's build a better nation" and tells us how to do it. That is the end of my testimony, Mr. Chairman, thank you.

[The prepared statement of Senator Paul Simon follows:]

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United States Senate
COMMITTEE ON LABOR AND
HUMAN RESOURCES
WASHINGTON, DC 20510-6300

STATEMENT

OF

SENATOR PAUL SIMON
Chairman
Subcommittee on Employment and Productivity
Committee on Labor and Human Resources
U.S. Senate
Before the

Committee on Education and Labor
U.S. House of Representatives
Regarding

Workforce 2000

June 15, 1989
2175 Rayburn HOB

Chairman Hawkins and members of the Committee, I am very pleased and honored by your invitation to testify today on an issue that is of critical importance to our nation-- building a quality workforce for the 21st century. I commend you for your leadership in holding these hearings to draw attention to the human resource issues that demand our attention now if we are to have a high quality, productive workforce to meet the future needs of a new technological society.

Our national priorities must include reconciling the needs of a changing workforce with the demands of a changing economy. Rapid technological change is dramatically altering the workplace. The millions of unskilled and semi--skilled positions that once provided jobs to millions of Americans with limited basic skills are disappearing. During the next decade, employment in professional positions will increase by 5.2 million, while operative and labor positions will grow by only 1.3 million.

Moreover, jobs are changing both in terms of content and skill requirements. The fact of the matter is that the American workplace is becoming increasingly complex, requiring a higher level of basic and occupational skills than in the past. Even 12 years of formal schooling is no guarantee that a student can adequately perform in today's labor market - which more than ever demands that individuals have a solid background in math, in English, and in problem solving skills. How can people who cannot read well enough to read a newspaper, understand the instruction on a bottle of medicine, or fill out a job application be expected to survive at all in an increasingly high-tech economy?

In simple terms, our economy is facing two divergent human resource trend lines-- the supply of unskilled and uneducated labor is increasing, while the demand for unskilled labor is declining. The mismatch between workplace needs and worker skills is big and getting bigger. As we look at the changing demographics, more and more women, minorities and immigrants - those who traditionally have been shortchanged in education, housing and health - will be entering the workforce. The following statistics deserve repeating:

*Today, 14 percent of all adults in the United States -- and 20 percent of youth under age 17 -- are members of minority groups.

*By the year 2000, one-third of all school age children will be Black Americans, Hispanic Americans, Native or Asian Americans.

*Blacks, Hispanics, and other minorities will account for 57 percent of the labor force growth from now until the year 2000. If white women are included, the minority and female share of the work force growth will exceed 80 percent.

*In addition, there are 36 million Americans with disabilities, many of whom are underutilized in the workforce. Two-thirds of this group are now unemployed, and two-thirds are trying to find jobs. For Black Americans with disabilities, the unemployment rate is 83 percent. As we head into the next century, these people will represent yet another very important pool of potential workers.

Also consider these disturbing facts:

*There are 23 to 27 million adults in the United States who are considered functionally illiterate; and it has been estimated that this number is growing by about 2.3 million a year, including immigrants from abroad.

*Forty-five million Americans read with only minimum comprehension.

Mr. Chairman, it is no secret that I am especially concerned about the issue of illiteracy. It is a problem that is even more significant because it is intergenerational; illiteracy among adults is often passed on to children-- thereby perpetuating a cycle of poverty and dependency that stifles the hope and ambition of youth very early on in their lives.

In 1982, as a member of the House of Representatives, I held the first hearing on illiteracy. I believed then - and, given America's workforce needs, it is even more true today - that we need a national campaign to wipe out illiteracy.

Illiteracy is a "hidden" problem in our society. But, we must address it and I believe that Americans are ready to attack this problem head on.

I plan to introduce next week a comprehensive literacy bill that will coordinate the efforts of existing but fragmented literacy programs, and provide for expanded assistance to reach the estimated 25 million Americans who are illiterate but are not being served by existing programs to help insure that these people are given a new opportunity to adequately compete in the job market.

I believe that we must invest in literacy, education, and training up front or we pay later. Our government pays later in increased unemployment and welfare costs. Our society pays later in increased crime, wasted lives, and loss of hope and dignity. Our businesses pay later in diminished productivity and economic growth.

Chairman Hawkins, I know that we share a belief that education must be a priority. And, I applaud your efforts in introducing the "Workforce 2000 Employment Readiness Act of 1989". This bill will help to ensure that our focus remains on building a better workforce through better education. You have clearly recognized the implications of our changing economy and workforce, and the urgent need to better link the private sector and the education system, to reduce barriers to full participation in the labor market, and to increase the quality of labor market information in pursuing an integrated workforce.

In addition, Mr. Chairman, your Job Training Partnership Act (JTPA) Amendments, and the JTPA bill that I have introduced both attempt to move the employment and training system to better prepare those potential labor force entrants who are most severely disadvantaged-- those who without early and intensive intervention will be unable to become and remain employed. Our proposals will target both youth and adults who face the most critical barriers to employment, and offer them the intensive services they need to attain the basic skills that will help them remain flexible and self-sufficient in a rapidly changing economy. I look forward to working closely with you, Mr. Chairman, to secure enactment of the JTPA legislation this year. Improving our nation's primary job training program for disadvantaged people must be a centerpiece of the Workforce 2000 agenda.

In closing, Mr. Chairman, let me say that I am encouraged by the activities underway throughout the public and private sectors to identify our future workforce needs and to address them. However, leadership, strong commitment, and visible activity on the part of the federal government clearly make a difference in stimulating efforts by educators, business, and local communities to close the widening skills gap and build a better workforce. We are making progress, but much remains to be done.

Thank you, again, for this opportunity to appear before this Committee.

Chairman **Hawkins**. Thank you, Paul, and I could not agree more with anyone than with what you have stated. I think it is well stated. We will look to Bill Brock for that line that we can use in our campaigns to get re-elected, but I certainly commend you.

Does any member of the committee have any burning questions before the Senator has to leave? Mr. Goodling?

Mr. **Goodling**. No burning questions. I just want to thank our former colleague for coming over and urge him to support my getting more money for AID and Start. It is exciting.

We have people all over this nation enthused about an intergenerational attack on illiteracy. We have had, I understand, more than 1300 requests for applications for the $15 million appropriated last year and we hope that we can double or triple it now that most people understand that you cannot solve the illiteracy problem unless you approach it as an intergenerational problem. I think we are ready to do something about it.

Also, I am trying to set up a trust fund. I would like to have about $3 billion a year that does not go through the appropriations process and get the private sector very much involved. I have been talking to a lot of those people who could come up with some of the money so that we could have an all-out war on illiteracy and functional illiteracy. We can solve many of those problems you alluded to if, as a matter of fact, we win that war, and I think we can win that war.

My concern now is that we seem to have all sorts of individual entities going on all over the place on this battle against illiteracy. I am afraid we are not going to have any unified effort, and everyone will be doing their thing with no one knowing what the other person is doing.

I hope, somehow or another, we can coordinate all our efforts and have one all-out effort. That's what the trust fund would help us do. I would have the private and public sectors involved in determining how we get the money and what we would do with the money.

Senator **Simon**. If I can respond——

Chairman **Hawkins**. Certainly.

Senator **Simon**. [continuing] to my good friend and former House colleague, Bill Goodling here, I am going to send you a copy of my bill. We will get it over to you today because it moves in the direction that you are talking about.

You are correct. We are just dealing at the edges with the problem of illiteracy and basic skills. I've got $5 million in the Library Services and Construction Act. We've got a little college work/study money. We are just kind of nickel and diming it around the edges, but we lack that coordinated effort that you are talking about.

In regard to the first part of your comments on resources, I think Congress may be more ready to move in the direction of resources than a lot of people think. I had an amendment over in the Senate to take one percent of the Defense Budget, $3 billion, and put it over to education. It would have increased education 15 percent.

Because there was an agreement on the budget with the leaders of both parties and all the chairmen had lined up against it, some people said, "You're not going to get more than seven or eight votes." We got 38 votes in favor, including a good chunk of Republican votes.

I think we are ready to adjust our priorities. I think those of us who favor putting more of an effort into education are going to have to really mount an effort and see that we do more.

Mr. GOODLING. May I just add to that, however, we have so many wonderful projects going out on there in the private sector that we have to find some way to help coordinate all these good programs.

We have got to make sure that we don't get the idea that we've spent a lot of money over the years at the Federal level and that we are not quite sure how well we did. Sometimes, we set up new entities, new bureaucracy, et cetera, where, as a matter of fact, we had people out there that were doing those kinds of things and could have done them better if we had just given them a little encouragement and a little more money.

We have to make sure that we do not go in that direction again, but my hope is that we can coordinate this battle to win the war against illiteracy without spending an awful lot of money—private money, public money—and not accomplishing our goal.

Senator SIMON. Right.

Chairman HAWKINS. Any further statements by any of the members? You are recognized, Mr. Martinez.

Mr. MARTINEZ. Thank you, Mr. Chairman. Mr. Simon, one of the big stumbling blocks that I see in education is having enough money being really committed to it. If we made the commitment to education that we make to defense, we would not have a nation at risk.

One of the things that the money has to do, too, is coordinate the programs that Mr. Goodling talked about because there are a lot of great programs out there. There is no network, national network, that can disseminate information from one good program to another program starting up or to programs in existence that can improve theirs from the knowledge of good programs that work.

There are some programs out there that definitely eliminate illiteracy, definitely make the individual—I don't know what terminology to use—ready to receive any training or education.

On the floor yesterday, there were several people that said what we need more is not a higher minimum wage, but more education and training for job. There is an important aspect which is linkage with the people that are trained for the jobs that are available to the jobs that are available.

That aside, the big question always comes back to the money. We can get up in Congress and say over and over again, "We need to do this. We want to do this. We have a bipartisan cooperative effort to do this." Yet, when it comes to the bottom line, providing the money and providing the mechanisms in place for the networking that needs to take place, we seem to fall short.

I hear your optimism. I have that same optimism that some day, we will come together as a Congress to provide real leadership in education and provide more than that, the monies that it takes. You seem to be optimistic, but don't you really believe, in the very near future, with the budget deficit that we still have, that we are ever going to get to the point where we can commit the kinds of monies that we commit to defense to education?

Senator **Simon**. If I can just tie in what you said with what Bill Goodling said, I think there is an awareness that we have to put more resources to the private sector that Bill Goodling was talking about.

For example, IBM and some other corporations are eager to see us do more in the field of education. I would add that I do not know of another country, rich or poor, which devotes only two percent of its national budget to education.

We simply have to make a priority out of education.

Mr. Chairman, I thank you and the members of your committee. It is good to be in my old haunts again.

Chairman **Hawkins**. This is where the action is, Paul.

Mr. **Goodling**. Which reminds me, we did an outstanding Vocational Education Bill. We would hope, since you don't have a lot of time over there, you would just pick it up and take it.

Senator **Simon**. Without making any changes. All right.

Mr. **Goodling**. Just take it from the desk.

Senator **Simon**. Great to be with you. Thank you.

Mr. **Goodling**. Don't mess it up.

[Laughter]

Chairman **Hawkins**. Thank you, Paul.

Another distinguished witness has a problem with time. I will call on him next. He has already been referred to several times, our former Secretary of Labor. I agree with Paul Simon's evaluation of him.

We looked more to him than we did to the Secretary of Education at the time to give us the right things, we thought, in the field of education. At least, I think we can say that he combined his duties as Secretary of Labor with those who believe that education was important and still is. It is a pleasure to have William Brock as our next witness before the committee.

STATEMENT OF SENATOR WILLIAM E. BROCK, FORMER SECRETARY OF LABOR

Senator **Brock**. Mr. Chairman, I am very grateful for your gracious comments and particularly for Paul Simon's, as well. I appreciate the chance to be with you.

We have talked a lot, Mr. Chairman, about the subject of education. I come today not just as a former Secretary of Labor under whose tenure the report, Workforce 2000, was completed, but as a former United States Trade Representative who is deeply concerned about our nation's ability to compete in the world and as a concerned citizen and parent, with a deep and abiding interest in this country's education system.

The findings of Workforce 2000 are now well known and seem to have worked their way into every day parlance, not to mention numerous op-ed pieces and *The Congressional Record*. The most relevant findings will be summarized by my friend and former colleague, Janet Norwood, for whom I have enormous respect and admiration.

I want to emphasize one thing about the facts we are going to be mentioning and that is, that we do not have to guess about the demographics of our workforce. We know what they are because everyone who will be in the workforce in the year 2000 already exists.

Seventy-five to eighty-five percent of them are already working and the remainder are in school where, by the way, I hope they stay until they finish. Those who will be graduates from high school in the year 2000 are already in school.

We know what the bulk of our future workforce has or has not been taught and what others are being taught. The demographics are well established. The rate of growth of our workforce is going to slow from three percent down to one. The average age of our workforce is going to increase from 36 to 39.

Eighty percent of the new entrants will be women, minorities or immigrants, and that is important because these are people who have not been equipped with the adequate tools for personal productivity for a variety of reasons—cultural, discrimination or language handicap.

It is also important that we note the kinds of jobs that are being created in this country and that are going to be created in the future. They are cognitive skill jobs, ladies and gentlemen. They are not manual skill jobs.

I am bone weary of people talking about Mac jobs as if that was the source of economic growth in this country. It is not and it is not going to be. The fact of the matter is you cannot afford low wage employees anymore. We are not going to compete with the People's Republic of China on the basis of wages. It is ridiculous to even contemplate such a course.

It is important to understand that the growth in new jobs that are available to kids still in high school will consist of jobs paying over ten dollars an hour. These are jobs at the highest category of skill requirement, requiring cognitive skills. That's the good news. The bad news is that these skill requirements are in excess of the skills held by our new workforce entrants. It is not a statistical anomaly when half of our 17-year-olds cannot read at the ninth grade level, at the same time that 45 percent of the jobs being created will require college-level skills.

It is a formula for social and economic disaster, simply put. If we don't do something quickly, we will have two choices: to export those jobs or import people. Fortunately, we are able, as a consequence of Janet Norwood's work, to look into the crystal ball. We have an advantage that people before have not had. We can analyse what is required and then set a plan that would allow us to avert a disaster and take advantage of the opportunities we unquestionably have.

In my opinion, Mr. Chairman, after not a little thought, the answer lies in our educational system. We need to begin to make some immediate corrections aimed at those in school now, craft a longer term plan for those who will come along in the future, including some fundamental structural and systemic changes, and plan for those currently in the workforce who are ill-served by our school system. In other words, we need to do some recall work on those who are sent out of the schools woefully unprepared for the world of work or for the world at all.

The schools must be the answer because anything else is a gum and patch job. However, as they are today, the schools are not the answer.

In our cities and suburbs and rural America, one of the most fascinating things I have seen was the fact that in the last year, we continued the act of national self-delusion.

Every State Superintendent of Schools, as far as I know, claimed that his state's test scores were above average. Somebody is lying. Most are because the fact is that there is not a single state in the Union that is above average in terms of the skills that are required in the global competitive system that we now inherit. Not one state is above average in the world, not one.

In 1983, we read that devastating study and report, "A Nation at Risk." It found that our children's education ranked behind that of every single major industrial democracy in the world and ranked behind many of the smaller nations, as well. We have had six years to correct the problem. How have we done?

The Department of Education recently released the following figures: ACT scores are up only four-tenths of one percent. SAT scores are up one-tenth of one percent. Yet, in roughly the same period, we spent a great deal more money.

The average teacher's salaries are up from $19,274 in 1982 to $28,000 in 1987. That is a fifty percent increase. Expenditures per pupil are up from $2,726 to $3,977 in 1987 and that is virtually a fifty percent increase in per pupil expenditures.

We spend more per child and more in total than any other nation and yet, the results are inexcusable. Are our children dumber? How can they be? They come from every corner of the globe. They have not failed us. We have failed them.

To advance anyone into the workforce who is not prepared is the most bitter cruelty that can be inflicted upon a human being. We know the opportunities are there. Why would we place someone in a job who does not have the skills to take advantage of the opportunity? We owe all of our new entrants more than that, or else we have just not learned from our mistakes. In other words, our stupidity equals their tragedy.

I think it is time for us to set some goals that are tangible. We are going to run out of people in this country with the skills to hold the jobs that we have got to have to maintain a pattern of economic growth.

Simply put, we are not going to have people to man our own facilities in this country. We need to set some goals. First, let's reduce functional illiteracy from thirty percent to ten percent of the adult population, adding 15 to twenty million competent employees to the workplace.

As an aside, Japan's illiteracy rate is almost nil. So, what do we do? Instead of correcting ours, we criticize them for trade barriers. Is literacy a trade barrier? You bet your life, but it is not on their part; it is ours. The trade barrier is negative, because we are not giving our kids the skills to compete. We have got to put our house in order and quit talking about everybody else.

Second, let's reduce the number of drop-outs from 28 percent to five, thus saving an additional five hundred thousand of our most precious resource. This is Paul Simon's section that he liked—if that many elk or buffalo died every year, there would be a national outcry, and there should be. Yet, we take it in stride when it is America's children dying on the vine. Their species is truly endangered when the drop-out rate is 28 percent while 45 percent of the jobs being created require college level skills.

Establish, then, thirdly, and adhere to a nationally accepted method of measuring student, teacher, school and system progress. Don't talk to me about the politics which prevent the setting of standards. Al Shanker is as committed to the quality of education as are the captains of industry and when he is committed to something, you can bet on it happening.

Insure the availability of preschool education to at least ninety percent—not all, but at least ninety percent—of the at-risk population in this country. It is the most single important step that can be taken for drop-out prevention, crime prevention, drug abuse prevention, teen pregnancy prevention.

The realization of these goals will, in my view, require at least the following reforms. First, a market-driven school system where parental choice rules. Minnesota has already started down this road without any of the negative effects the naysayers had predicted, and I think the result will be better education for all.

Next, we have got to have more alternative teachers and staff. To get back to my friend, Al Shanker, he notes that just to maintain the current level of teachers in our schools, we are going to have to take 23 percent of all college graduates. Well, that isn't going to happen, folks.

You are not going to get one out of every four college graduates to teach. That means we are going to be out of teachers, unless we can pull people from business, from labor, from government, and particularly highly skilled retirees back into teaching. We need a source of alternative teachers who can share their wealth of knowledge and experience with those who need it.

Next, management has to happen in the individual school, not three levels removed. Those on the front lines, if their responsibility increases, need to have authority. This means moving to a school system of school-based management.

Last, good teachers, administrators and schools should be rewarded, while the bad are penalized. It seems simple enough, but it simply does not happen. Education wants to be the exception to all rules that everybody else has to live by.

My hope is that corporations not only will talk about but will simply adopt the policy of locating in those states and localities which have school systems which are producing a quality product, and the devil take the hindmost. The marketplace has to begin to work.

Let me conclude by a comment by a British leader, named Benjamin Disraeli. He said, "The greatest good you can do for another is not just to share your riches, but to reveal to them their own." It is incumbent upon us to make that creed one for this nation.

I thank you for the opportunity to appear before you again, Mr. Chairman. It is a pleasure. I know how important your work is. I cannot think of a more important committee in the Congress or a more important task than that which you have before you.

Thank you, very much.

[The prepared statement of Senator William E. Brock follows:]

STATEMENT OF
SENATOR WILLIAM E. BROCK
FORMER SECRETARY OF LABOR
BEFORE THE
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

June 15, 1989

Mr. Chairman and Members of the Committee:

It is my pleasure to be here this morning to appear before you to discuss a most important issue. I appreciate your invitation.

I come here today not only as the former Labor Secretary under whose tenure the Workforce 2000 report was completed, but as a former United States Trade Representative who is deeply concerned about our Nation's ability to compete in the world, and as a concerned citizen and parent, with deep and abiding interest in this country's education system.

Among my current activities relevant to the work of this Committee, I presently serve as President of the National Academy Foundation, which I will discuss more in detail later in my testimony, and I serve on the newly-formed Commission on the Skills of the American Workforce of the National Center on Education and the Economy.

The findings of the Workforce 2000 report are by now well-known and seemed to have worked their way into every day parlance, not to mention numerous op-eds and The Congressional Record. The most relevant findings have just been summarized by my friend and former colleague, BLS Commissioner Janet Norwood, for whom I have the utmost respect and admiration.

I want to emphasize at the start a very important but often overlooked point. That is, we tend to talk about and think of the year 2000 as some sort of futuristic, Buck Rogers idea -- like interplanetary travel and telepathy. What needs to be emphasized, Mr. Chairman, is that our demographic data on the workforce in another eleven years involves little guesswork.

Everyone who will be in the workforce by the year 2000 already exists. Seventy-five percent of them are already in the workforce. The remaining 25% are in school. Let's hope they stay there, by the way. Those who will be high school graduates by the year 2000 are already in school. Therefore, we know what the bulk of our future workforce has (or has not) been taught and what the others are being taught.

Another factor that is equally important to note is that the rate of growth of our workforce will slow significantly, from its current 3% per year to near 1%. Also by now well known is the fact that the average age of the workforce will increase from 35 to 39.

Janet has just outlined for you the most critical aspect of the workplace change. The categories of jobs with the most significant job growth -- contrary to the conventional wisdom -- are those in the higher paying ranges. That of course, is the good news. The bad news is that these jobs will require skills far in excess of those held by our new workforce entrants. It is not a statistical anomaly when half our 17-year old's can't read at the ninth-grade level while 45% of the jobs being created will require some college level skills. It is a formula for social and economic disaster.

If we do nothing, we'll have two choices: export those jobs or import people to fill them.

Fortunately, in part due to the tremendous competence and capabilities of the Bureau of Labor Statistics, we have been able to peek into the crystal ball. Given this edge, which no age before us has had, it is now up to us to construct a plan which will enable us to avert disaster and take full advantage of the opportunities which unquestionably will be there.

In my opinion, Mr. Chairman, after not a little thought, the answer lies in our educational system. We need to begin to make some immediate corrections aimed at those in school now, craft a longer-term plan for those who will come along in the future, including some fundamental structural and systemic changes, and plan for those currently in the workforce who were ill-served by our school system. In other words, we need to do some re-call work on those who were sent out of the schools woefully unprepared for the world of work, or for the world at all.

The schools must be the answer because anything else is a gum-and-patch job. However, as they are today, the schools are not the answer -- in inner cities, in the suburbs, in rural America. In 1983 we read that devastating study and report, "A Nation At Risk". It found that our childrens' education ranked behind that of every major industrial democracy in the world, and behind many of the smaller nations as well.

Well, we've had six years to correct the problem. How have we done? The Department of Education recently released the following figures:

-- ACT scores of high school students are up only four-tenths of one percent.

-- SAT scores are up only one-tenth of one percent.

Yet in roughly the same period, we have spent a great deal more money:

-- Average teacher salaries are up from $19,274 in 1982 to $28,008 in 1987.

-- Expenditures per pupil are up from $2726 in 1982 to $3977 in 1987.

We spend more per child and more in total than any other nation. And yet the results are inexcusable. Are our children dumber? How can they be? They come from every corner of the globe. They have not failed us, we have failed them.

To advance anyone into the workforce who is not prepared is the most bitter cruelty. We know the opportunities are there. Why would we place someone in a job who doesn't have the skills to take full advantage of the opportunity? We owe all our new entrants more than that, or else we've just not learned from our mistakes. In other words, our stupidity, their tragedy.

I have discussed with some of our corporate, public and labor leaders an idea for a committee which would set goals for the year 2000 and then work to achieve the systemic changes necessary to realize these goals.

As I envision it, the goals of this committee by the year 2000 would be:

-- Reduce functional illiteracy from 30% to 10% of the adult population, adding another 15-20 million competent employees to the workforce. As an aside, Japan's illiteracy rate is almost nil. So we criticize their so -called "trade barriers". We need to get our own house in order first.

-- Reduce the number of drop-outs in this country from 28% to 5% of high school students, saving an additional 500,000 of our most precious resource. If that many elk or buffalo died every year, there would be an outcry -- and there should be. Yet we take it in stride when it's America's youth dying on the vine. Their species is truly endangered when the dropout rate is 28%.

-- Establish and adhere to a nationally accepted method of measuring student, teacher, school and system progress. And don't talk to me about the "politics" which prevent the setting of such standards. Al Shanker is as committed to quality education as are the Captains of Industry. For those of you who know Al, you know that if he's committed to something, it will happen.

-- Insure the availability of pre-school education to at least 90% of the at-risk population. It's the most important first step for drop-out prevention, crime prevention, drug abuse and teen pregnancy.

The realization of these goals will, in my view, require the following reforms, and then some:

-- A "market-driven" school system, where parental choice rules. Minnesota has already started down this exciting road, without any of the negative effects the naysayers had predicted. Their end result, I am certain, will be better public education for all.

-- "Alternative" teachers and staff. To get back to my friend Al Shanker, he says that we'll need 23% of all college graduates in the next ten years to become teachers, just to maintain the current level. We need to look at the possibility of drawing from the present pool of business, military, and government employees, and from the totally under-utilized but very talented pool of retirees as a source of alternative teachers who can share their wealth of knowledge and experience with those who need it.

-- Management needs to happen at the school, not three levels removed. Those on the front lines, if their responsibilty increases, need also to have authority. This means moving to a system of school-based management.

-- Good teachers, administrators, and schools should be rewarded while the bad are penalized. It seems simple enough, but it's not happening now.

Ultimately, corporations should -- and no doubt will -- seek to locate in those states and localities which have school systems which are producing "a quality product for me -- devil take the hindmost".

As you know, Mr. Chairman, many corporations are already active in promoting better education among the workforce. I mentioned at the outset my involvement with American Express Company's National Academy Foundation. Through the vision of their Chairman, Jim Robinson, American Express is working to establish National Finance Academies, a two-year program for high school juniors and seniors to provide economic and finance education, promote awareness and provide access to careers in finance and to develop an employment pool for the financial services industry, one of those high-paying industries Janet Norwood is talking about.

Other corporate leaders, too, have been spending time and money on the problem. They are assisted by the public voices of people like Gov. Bill Clinton and Gov. Tom Kean, and frankly, Mr. Chairman, opportunities such as this hearing.

As for those about to enter the workforce, or as yet unable to do so, we need to redouble our efforts to make sure their education continues. I applaud Secretary Dole's new focus on the disadvantaged. As you know, Mr. Chairman, she's proposing major changes to JTPA which focus on disadvantaged youth, especially on illiteracy and remediation.

Benjamin Disraeli said, "The greatest good you can do for another is not just to share your riches, but to reveal to them their own." It is incumbent upon us to make that our creed as a Nation.

I thank you again for the opportunity to appear before you today. I would be happy to answer any questions.

Chairman **Hawkins**. Thank you, very much, Mr. Brock. We certainly appreciate your comments and will try to follow through on your statement as you went through. It is the first time I had an opportunity to read it. I certainly commend you on it.

I agree with you at least over 85 percent. I will make one reference to page four where you spoke about parental choice in Minnesota. This committee has had an opportunity to conduct a hearing in Minnesota and I would only caution you and others who are advocating parental choice that you be very cautious in doing so, until we have some documentation and evaluation of that experience.

It is a new experience. We certainly caution individuals who seem to be diverting us from the School Improvement Act which we adopted last year with only two dissenting votes in the Congress, and any proposal that does not include in it school improvement I think would be somewhat devoid of substance.

This is my personal opinion. It is not an opinion necessarily of the committee, because we have not had an opportunity to review and to discuss with the Secretary of Education his new proposal of choice.

We just caution individuals against using the money, the additional money that we got to go into School Improvement with all of its various programs, including Even Start that Mr. Goodling referred to, rather than getting off on a program that has not yet been tested.

Minnesota has only some five hundred persons involved in its plan as of now. It is a new plan and may offer something that we should look at, but we also believe that unless a plan has something more than transportation and has the ingredients of instruction and educational policies tied to it, that we may be heading in the wrong direction.

We cannot afford to make a mistake, as you know. By the year 2000——

Senator **Brock**. Mr. Chairman, we have been making mistakes for the last thirty years in not correcting the problem. I don't disagree with you that we have got to be cautious. I really do accept the wisdom of that.

But, if we do not have in the marketplace of public education some competition and some method of imposing penalties when people consistently do a lousy job, then more funds is not going to correct the problem.

There was a wonderful analogy written in Jack Baucher's book on education. I think it was his book, in which he was talking about the analogy of an assembly line and this pressure to increase the length of the school year, or change, correct and things like that, without going back to grips with the fundamentals.

He said, "If you were a businessman and you had an assembly line where 25 percent of your television sets fell off the line before they even got to the end, and when they got to the end another fifty percent were defective, you wouldn't cure the problem by speeding up the assembly line or making it longer."

You have got to call into question the fundamental process.

Chairman **Hawkins**. We certainly agree with that; however, I think if you will inspect the School Improvement Act, you will see that in response to the business community that we have as witnesses, we indicated that with the increase in funding, which we did get increased last year, that we would instill in the Act itself accountability, accountability for results.

There is a long process that I won't take the time to go through today of providing accountability at each level with local educational agencies or state educational agencies and so forth. If they don't show improvement over a period of time, they do not get the money.

We do have accountability built into the Act, and I think that anyone, if they would read the Act and see—and this is already approved. What I am talking about is the law of the land. I am not talking about some new idea.

Senator Brock. I am all for it, Mr. Chairman.

Chairman Hawkins. I am talking about implementing the law of the land, which says you have got to have accountability, you have got to spend it on the neediest, you have got to show results, et cetera, and then you get the money.

I think I am simply recommending that you consider that. Many individuals have gone off on the idea of parental choice. It sounds good. It is a good phrase. If it is tied to the School Improvement Act, it probably would be much more successful.

I think that we have got to look at that tie-in with education and not think, as I think the previous speaker spoke about, we are now concentrating on class discrimination. If, under a choice proposal, parents are able to send their kids to the best schools, then it is obvious that the ones we are talking about and you are talking about—the disadvantaged, the minorities and others, who are at the lower end of the economic rung—if they don't get the good schools, then we are not going to educate the people that we are talking about are going to be in the labor force.

We will help create some very elite schools in affluent neighborhoods, but that is not where the kids that we are talking about happen to be. So, we have got to improve every school, not just some. That, I think, is the theory behind the School Improvement Act.

It is somewhat, I think, diverted by so-called parental choice.

Senator Brock. Mr. Chairman, we are not in disagreement. I very much agree with that, so long as accountability is brought into it. I appreciate the steps that were made in that direction.

We still have tenure. We still have a lot of barriers to the need to cleanse the system. What is happening is that the good teachers—and there are a lot of very wonderful people in that profession, but too many of them are leaving out of frustration, because they are put at the point of responding to the lowest common denominator.

It is not something that can be corrected just by wishing or refusing to take some very tough steps. We have got to deal with the fact that, as you well know, we've got more black teenagers in prison than we do in college, and there is something fundamentally wrong when that kind of a statistic can apply in this country.

It is insane and it cannot continue. You cannot change that unless we deal with the underlying malaise of the system itself.

There is not any good or bad in the system. There is no evaluative process. We cannot even agree on how to measure these things.

Some day, we had better do the research necessary. That is where the Federal Government can play a role, by the way, in doing research to come up with an agreed-upon measuring device so that we can hold people accountable.

Chairman HAWKINS. Thank you. Mr. Gunderson?

Mr. GUNDERSON. Thank you, Mr. Chairman.

Chairman HAWKINS. You are the ranking minority member.

Mr. GUNDERSON. Thank you, Mr. Chairman. It is indeed a pleasure for me to welcome back not only one of the outstanding public servants, but someone I consider a friend and indeed, I am happy to have you here.

I have really two questions that I want to focus on. One is sort of a follow-up to the discussion that you and the Chairman have been pursuing regarding the whole concept of choice.

Coming from Tennessee, can you share with me any insight as to the whole concept of choice in a rural area? I am quite a strong believer in the concept of choice in urban schools. I have not quite figured out how you implement it in a rural school without risking the real viability of a school district which, as you know, is the identity of the community.

Have you any thoughts on that?

Senator BROCK. I have thought about it. I have not come to any really good conclusions.

There are areas where the population is so sparse that you really do not have that kind of an option. Parents, even moderately well off parents, cannot spend a couple of hours a day driving their child to a county line twenty or thirty miles away in heavy traffic. I mean, that just is not realistic.

In that kind of a setting, then the Chairman and I are completely in agreement. You simply have to come back to upgrading the school that is closest to the child.

I do think we have got a bit of a problem in that every county, and we have some archaic county lines, has to have its own school system in most states. I am not sure that that is logical. It seems to me that we could do a better job.

You run into some imponderables, though. In order to educate children, we think we've got to build schools. We have got an edifice complex, that we have got to build these great big schools. Then you find out that you put two or three thousand kids in a high school and they lose their identity. Nobody is there to look at them as a human being, so we are constantly putting them down.

There are a lot of us that think that we ought to go back to units of no more than a couple of hundred, at most, four hundred kids in a school. If you had that kind of a break-down, then maybe you could have units that were small enough to have some application of the choice principle.

Fundamentally, choice is going to apply in areas of population density. There, you really can, I think, make some substantial steps forward.

Mr. GUNDERSON. Let me ask you to expand, as well, on your testimony regarding the various recommendations and goals that you have established. As I listen and read them, it seems that a great deal of those almost focus on state and local decisions.

I am not sure any of us really want the Federal Government to get into setting teacher salaries and that type of thing. Can you focus for just a second for us on what you see are some initiatives that we here at the Federal level ought to be pursuing?

Senator BROCK. Absolutely. I mentioned research. Nobody can undertake national research better than the Federal Government. It does not mean we are good at it; it just means that there is no alternative.

Paul Simon was mentioning earlier how little money we are spending on education as a percentage of our budget. I think he is right. I think it is too low. If you want to look at something really minuscule, look at the money we are spending on R&D in education. There are incredible things happening out there.

I went up to Canada to look at a program called Yes Canada, where they are developing a computer driven national curriculum approach, where any one of us in this room—young, old, black, white, no matter what our background—could sit down at a terminal. Within thirty minutes, the computer has evaluated us because of the way we respond to the questions it provides and, from that point forward, the computer, based on a mainframe program, speaks to us at our level, so it doesn't use a word we don't understand. You can take a kid at six and the grandparent at sixty and put them both at the same terminals, and move them as fast as they are willing to move educationally, and then the teacher really becomes a resource for the personal development of that individual.

Now, we are not doing that kind of research adequately. Nor is research being done adequately on the establishment of measurement devices so that we can evaluate kids, teachers, programs, schools, districts, in order to have some sort of a measurement that will enable parents to know when to get into the school board and kick rears. I'll tell you, most of them need that. That's one thing the Federal Government can do.

Secondly, we really do have a responsibility to see that people are not left by the wayside because they happen to live in central cities or in massively poverty stricken areas. I think the Federal Government can help to even that out by providing some booster funds.

I think we can also do some things to provide incentives for states to do more. I mentioned preschool education. I don't think there is anything more important than preschool education. You start with a good product and it is going to get better. If you do not give that product the front end boost, you are behind for the rest of its life. It's just like trying to cure a disease rather than prevent it; it is cheaper to prevent it. We do not do anything like the adequate preventive work we ought to be doing with preschool. Head Start is a classic example.

There are many areas where I think the Federal Government can make an enormous difference. Frankly, I think we ought to be exercising more leadership, and that is a substantive term.

I think we ought to be saying, "States, if you don't get with it, we are going to quit subsidizing you, period. If you do not get off your duff and quit whining about the problem, in the old cliche we have in Tennessee, it's like a hound dog sitting on a tack and too lazy to get up, but he's hollering about it."

We're talking about it, but nobody is willing to take the tough course of dealing with this problem and saying, "It has got to change, fast."

Mr. **Gunderson**. Thank you. Thank you, Mr. Chairman.

Chairman **Hawkins**. Mr. Martinez?

Mr. **Martinez**. Thank you, Mr. Chairman.

Secretary Brock, first let me congratulate you on the work that you did in the past, especially on Workforce 2000.

Senator **Brock**. Thank you.

Mr. **Martinez**. Your thrust there was very important. I have often used the report in many of the speeches I have given and talks I have made to people about what we have to do in the future, because I agree with much of it.

I want to talk to you a little bit more about the conversation you had with the Chairman and with Mr. Gunderson about choice. To me, the situation in Minnesota where they use choice to make people competitive is a good idea. I would not agree to vouchers, and that's a different situation altogether.

Senator **Brock**. Yes, it is.

Mr. **Martinez**. Even vouchers, if the point came in our country where public school systems were very secure in their funding, very secure in doing a job well enough that people wanted to send their kids to public school rather than parochial school.

Let me tell you something. While people are all ecstatic about the better education that your children gain in parochial schools, that is not always true either. It isn't. It is simply not the fact.

A lot of it depends on the system used. All the systems used there are not equivalent to some that are used in the public education system in other places. The trouble is that we do not mimic the programs that are successful nationally.

The one you spoke of, the Comprehensive Competence Programming, that is a shelf item. Job Service Centers use that. There was a place in California we visited very recently, a Youth Corps Program in Oakland, where they use it. They are actually able to take high school drop-outs at different ages, 14, 15, ninth grade or less, and in a relatively short time, bring them to high school equivalency.

Senator **Brock**. Yes.

Mr. **Martinez**. That is remarkable.

Senator **Brock**. Yes.

Mr. **Martinez**. Yet, that is not universally used and I do not know why, but I am very concerned about vouchers at this point in time because I think the public education system needs to be—that every person, those that cannot afford parochial school, should have the ability to learn as equally as anybody else and get a good education.

I think we are a society that owes it to our people to make sure that every child gets the fullest education they possibly can to reach their highest potential. I am also concerned that the competitiveness among public schools isn't there.

We have done things in the past, like bus kids to kind of equalize education or make the opportunities greater for them, and we have spent a lot of money bussing and it has not achieved a thing.

I would rather improve the facility than bus the children, because the money spent on bussing, if we use that money to improve the facility, it would go a lot farther. I think that is the thing that a lot of us want to see, the improvement of facilities and teacher availability.

We had in the Garvey School District in my district just last week a retirement dinner for something like about 21 teachers that are retiring this coming semester, at the end of this semester. In that, there was a combined of 140 years of teaching experience going out the door. How do we replace that? that's my question.

How do we replace that and provide, like you say, with choice that makes schools more competitive, the incentive for teachers to teach. I think if the teachers are in a system that is producing a good product, you know, Terrell Bell once said at a hearing, "The greatest reward for a teacher is seeing that light go on in that student's eyes when he learns that he can learn."

I know that for a fact, from my own experience. Yet, with no disrespect to the Chairman, I love him and I really feel that he is a great, great Chairman, but he said about making mistakes, we have made so many mistakes, I do not know that one more would hurt if it is an experiment to make everything better. Would you respond to that?

Senator **Brock**. I think you are absolutely right. We are making a mistake. The mistake is being made today. What you said earlier is so important. We do not have to invent new wheels. We know what works, because it is being tested and proven, in choice in some areas and other areas are different.

There are school districts around this country that are doing things right. There are teachers that are doing things right. It is not just the Jaime Escolades that you see on television. There are thousands of Jaime Escolades out there that are doing a wonderfully effective job.

We do not have a system of constant reinforcement of the good, of building it up, and of communicating the opportunity to do the things differently that really do work. One of the things that we were talking about that Mr. Gunderson was asking me about, about what could the Federal Government do, it could do a lot better job of communicating what works out there.

We are not doing a very good job of that, in my judgment. It is not for a lack of good things being done, but we are not spreading the gospel and providing motivation and incentive to see that it happens.

I want to be careful that I do not leave the impression, as I did not mean to, that choice is the sole solution. The Chairman was right. If choice is done and nothing else accompanies it, that is not going to solve this problem.

I do think choice is a tool to get parents involved again, to give them a sense that they have got a voice in this process and we've got to have that. There is no factor in a child's education more important than parental involvement, none.

No teacher can compensate for a parent that is driving a child down. We need all of those things. I guess what I am trying to say is that choice requires alternative teachers—we are losing good teachers. We are not bringing enough new ones into the workforce.

How do you solve it if the rules of the game prohibit you from hiring somebody that is competent but does not have an education degree? Now, New Jersey is testing an alternative teacher plan that seems to work, but I will tell you that I've seen a lot of education bureaucrats saying, "Oh, never, never. Can't do that." Baloney. That is not a legitimate reaction from an organization or profession. That is a protectionist action.

Senator **Brock**. I would be happy to.

Chairman **Hawkins**. He has agreed to do so.

Mr. **Martinez**. Thank you.

Chairman **Hawkins**. Mr. Grandy?

Mr. **Grandy**. Thank you, Mr. Chairman. Mr. Secretary, it is a pleasure to have you back in front of this committee.

I would like to pursue the concept of market driven or choice in schools, because my State of Iowa, as you well know, has also taken the somewhat daring move of opening up their enrollment—in measured doses, I might add. The system will be on line by next year, but will not apply to the large metropolitan areas until the following year.

There are various proscriptions in the law, which will disallow students from transferring for athletic reasons and things that are perhaps less than academically motivated. I am not going to comment on those, because I do not know if they work.

What I want to talk to you about is given the fact that we are encouraging choice and the new Secretary has put forward his feelings on this, and the president is clearly supportive of this, I want to know what you see is the Federal relationship with the states that begin to promulgate these kinds of ideas and then manage them.

Where is the Federal oversight? I share with the Chairman a certain concern about accountability. I love the idea. To pick up on something that my colleague, Mr. Gunderson, said, I think this is going to do more for rural development immediately than the cities.

Some of these school districts are so small that they cannot access Federal programs, because they cannot compete. When I have a town meeting in a town the size of 1500, the people that get up and say, "We have to protect our school" are usually 65 years and older. The parents have already tried to transfer out to another system or gone to whole grade sharing or some partial solution.

I guess what I want to know is: Where do you see the Federal Government getting involved in encouraging choice and then providing some accountability for the choice?

Senator **Brock**. One of the hardest things in the world to do and one of the most dangerous things to do is to start assigning accountability without people knowing what the standards are.

You can say, "You are responsible for doing X, Y and Z for these kids" but if there is no measurement, they do not know where they stand. It is like a child in a school. You have got to do a lot of good things, but nobody ever says what. The school system responds the same way, whether it is the principal or the superintendent.

The Federal Government really can help by providing a methodology for measurement. It is absolute hypocrisy for people to say, "We can't measure." It is dishonest. We measure everything in the doggone world. To say we cannot measure the output of our school system is saying that we do not know, or we do not want to know. Which is worse?

The first thing the Federal Government can do is to provide the support necessary, the R&D necessary, to have a standard system, a methodology, a process for measurement so that the people can evaluate the system.

Mr. **Grandy**. But wouldn't you agree, sir, that the States are themselves the laboratories of this methodology? Iowa and Minnesota clearly are going to be part of the R&D and are right now that will go into establishing if there ever is some kind of Federal criteria on parental choice.

Senator **Brock**. Yes. What I want the Federal Government to do is to tell people how to make the measurement and then let the people make their own decisions. I really do believe that we have an exquisite system where the states have primacy in the education role. I don't want to change that.

I think there has been a pretty obvious example. The Federal Government has an absolute mandate to be sure that the states' actions are not discriminatory, for example, but that is obvious. I hope there is no argument about that in the country anymore.

Second, we have an obligation to provide the national standards. Minnesota can do internal research but Minnesota may not be able to afford doing the research in 49 other states to compare its system with somebody else. The Federal Government can do that and there is no reason it shouldn't be doing it.

Beyond that, as I said earlier, I would limit the Federal Government's responsibility to those areas where incentives are needed for things like preschool education or for leveling out a process where a school system or a state is simply so impoverished that it cannot compete. In that kind of a setting, then I think we have a role.

I would be very careful about going beyond that. I think the role of the Federal Government is hortatory in terms of leadership and calling for states to explore choice. I do not think the Federal Government ever ought to be saying that every state has to have choice; that would be ridiculous and dangerous.

Mr. **Grandy**. Do you feel, for example, as we write pieces of legislation like the School Improvement Act and elementary and secondary kinds of Federal funding mechanisms, that they are, in any way, impaired by an option in an individual state to go to choice?

Senator **Brock**. I do not think they are impaired at all. I think that is what we ought to be encouraging. I think we ought to be encouraging the states, because they are the laboratories of change, to try a diverse series of things because what we have now is simply not working.

The Federal Government can provide incentives and opportunities and encouragement for that creativity at the state level. What I do not want is the Federal Government saying: You have to do it.

Mr. **Grandy.** In other words, I think what you are suggesting and something that we have talked about, particularly when we were writing the reauthorization of the Perkins Act this year is, in a sense, a kind of Federal waiver of regulations for creativity at the state level.

If the Federal programs necessarily are getting in the way of creativity, then perhaps it is time for the Federal Government, the state government or the LEAs, perhaps, closer to the actual factory of education, to say: Maybe we can find a better arrangement to deliver services.

Senator **Brock.** I would waive everything except antidiscrimination. I would be very careful about touching anything that would——

Mr. **Grandy.** I would agree with you on that, but I am intrigued to hear you say that, because that has been a subject of much debate in this committee and I am sure will continue.

Mr. Secretary, let me just say thank you for your continued public service. Although you are not technically in the public sector, you are a great source of information and reassurance to this committee.

Senator **Brock.** Thank you, very much.

Chairman **Hawkins.** Mr. Hayes?

Mr. **Hayes.** Thank you, Mr. Chairman. I just want to commend the Senator, the Secretary, for his presentation here this morning.

Senator **Brock.** Former everything.

Mr. **Hayes.** Well, all right. There is one thing that I would like to ask, and I am conscious of the time problem we have here this morning. Your time is important, I know, and the House today is dealing with one of the ways, which I call a misdirection of our funds.

We are trying to find a way to bail out the savings and loan business to the tune of some billions of dollars obviously at the expense of some of the things we have been talking about, when it happens, if it happens.

I am a little bit concerned. Your approach is directed, and I think correctly so, towards the 21st Century, the year 2000. I am a little bit worried about what is currently happening now, particularly in my area.

How do we correct the situation? I come from the State of Illinois. One of the problems is the access to the kind of curriculum that will help to prepare an inner city student to fit in to today's society. I think it is a great waste, what is going on.

I do not say that dollars are the only yardstick by which you measure a means of change, but when research shows you, in the State of Illinois, where they spend $800 more per year on a student that goes to school in the suburbs that surround Chicago than they do on the inner city student, where in the secondary school in my own area has a very inadequate supply of computers.

We live in a high technological kind of society and we need to prepare kids to be able to fit into this society. When you do not have the equipment, this, I think, enhances the whole drop-out problem which you alluded to.

Some kids feel it is worthless to continue to go to school where you are not being prepared to fit into today's society. We are talking about reform of the whole public educational system in the State of Illinois, but you and I know this is motivated, to a large extent, by political considerations.

How do we change that? How do we do it to get those of us who are in positions of power to understand what a waste it is? It costs more, according to statistics, to keep a young kid who goes wrong incarcerated than it does to pay for their education or give them an opportunity, equal access to education.

How do you get that over? Is this kind of legislation going to be at least a step in the right direction? I'm for it, you know. I happened to have participated in the hearing up in Minnesota where choice was the point at issue. Of course, it was in its infancy stage in many respects and there were a lot of things, in terms of results, we did not quite understand. I know that's not the answer completely. It may be to some extent.

I looked at the newspapers yesterday in Chicago. We've got a number of kids who are coming out of high school this year who cannot find any kind of job. Fifty-one percent of the kids who are out of school this summer, there are no jobs available for them where they can work even to help themselves.

Jobs are going begging in the suburbs. They even pay more per hour for the same job in the suburbs than they do in the city. Jobs in the city that you are lucky to find are around the minimum wage and five and six dollar an hour jobs are going begging in the suburban areas around Chicago. They have no way to get there.

How do we change this kind of situation?

Senator **Brock**. You don't have to go to Chicago. Look at Washington, D.C. We've got people that run fast food restaurants begging kids to come out of downtown Washington to work in Alexandria or Arlington at seven dollars an hour. It's a whole lot more than the minimum wage.

But, the kids don't know about the jobs and, if they did, they would not know how to get there, because sixty percent of our high school seniors can't read a bus schedule. Sixty percent can't read a bus schedule.

Lord have mercy, what have we done to our children? I've just recently taken the presidency of the National Academy Foundation. It is a foundation that American Express started a few years ago, and it's really exciting because it is proving something that I believed, but I can see it tangibly.

I went up to Brooklyn to see a school. Sixty percent of the kids are minorities. Almost an overwhelming majority are from single parent homes. They are all poor. They've got a huge, 12-foot fence around the school yard to keep the drug dealers off the school grounds.

I sat with those kids and I listened to them debating bearer bonds. I am going to tell you, I'll bet you there are no more than 15 percent in the room that can give me a qualified definition of what a bearer bond is. In Congress, we don't know a lot of these things.

Here were these high school juniors and seniors and after the class, I said, "Talk to me. What are you doing? How did you get into something like this? How much homework were you doing before you started?" "Half an hour a night." "What are you doing now?" "Four and a half hours a night."

This is voluntarily. These kids are working their heels off. They love what they are doing. They get a summer job the minute they finish. They went from ten percent going to college up to ninety percent. That is a working program. They are not using computers.

They are saying, "If you want to be a part of this program, you've got to work your heels off. Then you get a summer job, sure. Then you get a career ahead of you." What they are doing is showing the kids the same thing that guy did that offered everybody in the seventh and eighth grade a college scholarship.

You are giving them a goal. You are giving them some tangible discipline, some parameters. Let's quit putting the kids down.

Al Shanker is wonderful. He talks about how you take a bunch of kids in the first grade and within three weeks, you have told about eighty percent of the class that they are not going to make it. The smart kids that have always got their hands up, they are the ones the teacher is always going to call on because the teacher feels good that they've got somebody answering the question.

We just have not rethought the fact that our schools have to get away from what we built in the 1900s, which was an industrial school system. We have got to go to an information based school system because that is the kind of world we are going to live in.

The inertia in our schools is so enormous that the Congress, the governors, the legislators, are going to have to really get aggressive and start saying, "Change or else." It is insane to think that this country is going to survive. Here is the analogy of a basketball team with five players.

Two of the five players, folks, can't even get off the bench the way our system is operating today. Who are you going to beat with three men on the basketball team? Nobody. That's the problem, and it can be done.

Chairman **Hawkins**. The time of the gentleman has expired. Members, we are going to have to speed this up. I hope you looked down at the agenda.

Senator **Brock**. I'm sorry, Mr. Chairman.

Chairman **Hawkins**. No, it is not directed to you, Bill, but Members have a tendency to make long statements and then expect you to give short answers. I think it should be the other way around. If they give short statements, then it would leave more time to you.

Senator **Brock**. I will try to match the length of the question.

Chairman **Hawkins**. We try to be generous with your time but we have got to speed it up. I hope that I have an oath from the members that are present that they will continue to be with us throughout the day when the other panels come on and not leave me the only individual in the room. As long as we have that, then we can be more generous.

Mr. Smith, this is not a preface to your statement.

Mr. **Smith**. I will throw my speech away, but so pledged, Mr. Chairman.

Chairman **Hawkins**. Set a good example.

Mr. **Smith**. I will be brief, too. I simply wanted to make a very short statement and commend an idea that a number of us are working on that I think fits with what you are saying to your attention, because I'd be interested in your opinion about it.

First of all, I just have to share with you that I am deeply moved and genuinely excited by not only what you are saying, but the role you have been playing and will continue to play in urging us to wake up and smell the coffee.

The idea that you, Al Shanker, Mary Hatwood Futrell and maybe a Republican and a Democratic governor would go on the road, if not together, in colleagueship, to continue to share the urgency that we learn how to trust states and create policy structures which trust schools and teachers and community members to do the right thing, and urge them and reward them for doing the right thing, I think is the number one national security issue that this country faces.

We do not know how to trust and encourage at the same time and, as a result, we have a decentralized system which is reeling under our preoccupation with centralized solutions. We wonder, in the end, why it does not work. It is because people do not operate that way.

I would simply tell you that my concern is that the most conservative institution involved in this whole movement is the government. It is not because we aren't willing or we are not cognizant. It is because we just can't quite figure out how to do it.

One of the things that a number of us are working on here that I would really be pleased if you would consider, and I'll try to make sure we give you a copy of it for review, is a concept initially applied for vocational education of an educational performance agreement.

This is basically a device which would allow a school district, initially in a demonstration program, to really end-run the regulations and the bureaucracy and to write a plan for excellence where they commit to doing, in specific terms, a better job for every student, protecting civil rights, protecting safety standards, but then addressing how they are going to do a better job, in return for which they receive major flexibility in terms of how they spend the money that they receive, in terms of how they deploy human resources, what kinds of curriculum they use and where, how they schedule.

The things that make a school the way it is become theirs to mold to a program, with some resources and time for planning. Somehow, we have to begin to shift power and have a policy which, in responsible ways, shifts power to the places where children learn and teachers teach, and that's schools.

Until we figure out how to do that in responsible ways, it is all noise. In the meanwhile, we are losing two out of five. I'm moved by your comparison with the antelopes. Let's be even less human and say we would not let it happen with automobiles, with things. Hell, if the hubcaps fell off two out of every five cars, you know, they would do something about it. In fact, they used to and they did.

Anyway, enough said. I hope you will look at our idea. I'll make sure we send you the educational performance agreement idea, and we will take all the advice and strengthening we can get. In the meantime, I will just thank you for your message.

Senator Brock. I think that's an exciting concept. Dennis Doyle and others have done some work in this area, Bill Johnson and others. You hear things like this a lot from people that really are thoughtful on the subject, and I think it is exciting.

Let me just point out something. We were talking earlier about what can be done. I wonder if we really know or think about the fact that only forty cents out of every education dollar in America, only forty cents get to the classroom. What in the world is happening to the rest of it?

Doggone it, that's a terrible shame to me. It seems to me if you gave a hundred cents to the school and said, "You can buy from wherever you get a good supplier. You do not have to buy from the school board. You do not have to buy from any government agency. You buy the textbook or the product that you are purchasing, heat and light and whatever else, wherever you can get the best buy." I think they'd manage their money better than we do or better than the school boards.

Chairman **Hawkins**. Mr. Sawyer?

Mr. **Sawyer**. Thank you, Mr. Chairman. Mr. Chairman, I just beg your indulgence for a moment, if you would.

I cannot say enough, Mr. Secretary, about at least three points that you have raised, the first being that we are going through something in this country we probably have not gone through for a hundred years; that is, there is a real job shortage in many areas of this country.

There is, simultaneously, a labor shortage in the areas of greatest job growth. Those two forces conspire to create a circumstance we have not seen in this country perhaps in a hundred years, when this country made the great movement from the farms to the cities.

At the same time, we are really losing educational capacity at a rate that we may well lose half the current cohort of teachers.

Senator **Brock**. That's right.

Mr. **Sawyer**. I compare that often to the condition of a guy who is getting out of school and entering his twenties who is beginning to spread around the middle a little bit, and he does not realize that he has begun to age and he has got to work a little bit harder to stay in shape, or else his muscles are going to begin to atrophy and he will lose the capacity to get back into shape. We are losing that capacity to stay in condition more rapidly than we know.

Having said that, I really want to emphasize that in talking about choice, in talking about empowerment at local levels, in talking about the shift of powers to the schools, we speak as though there were some kind of domineering Federal presence in our schools that is demanding that things be done in a certain way. That is the furthest thing from the truth.

There may be constrictions that we need to examine, and we may well need to release educational policy makers and give them much greater freedom to make decisions, but that is not to suggest that at the same time, we do not need to have a Federal presence all across education in this country.

As you say, it is not administrative presence necessarily, but it is a Federal presence, nonetheless. As I hear from Vermont, you cannot help but think of 125 years ago, when another man from Vermont, Justin Morrell, confronted the arguments that we could not afford to invest in universities. We faced a terrible demand just to defend the Union itself and, in fact, on top of everything else, the argument was advanced that education was not mentioned in the Constitution so we should not be doing it anyway.

We swept all that aside and recognized that the future of the nation was at stake and, as a product of that, we have schools today ranging from Texas A&M to MIT. I am not so sure that the same kind of substantial Federal presence——

Senator **Brock**. He was a good Republican.

Mr. **Sawyer**. Exactly right. Without domineering that sense of pluralism that we all value so much, that we do not desperately need that Federal presence to deal with a set of demographic problems that we have not faced in a long time in this country.

That is the end of my speech, Mr. Chairman, and I apologize for going on.

Senator **Brock**. We agree. Thank you, very much.

Chairman **Hawkins**. Thank you, Mr. Sawyer. Mr. Payne?

Mr. **Payne**. Thank you very much, Mr. Chairman. I will certainly attempt to also follow your dictate. I am sorry that I missed the talk from the Secretary, but I know that this whole problem of education, especially urban education, is a strong concern of mine.

I am from Newark, New Jersey, and we are simply not producing what we need for the future. I believe you spoke in New Brunswick several weeks ago with the Partnership Group. Bob Winter, the CEO of Prudential Insurance Company, chaired that meeting, and Governor Clinton from Arkansas and Governor Kane, both young men, totally interested in education, two different parties, but really saying that this is our most important product are our children.

I am hopeful that what you are doing and the concern that is being expressed now by industry, business—at one time, it was felt that it was simply the obligation of the educational community to fix it since it was broke, but now we are finding that there is a broader based coalition.

The cost of a nurse is a prime example of how our educational system has failed. We have a shortage of nurses. The cost of a nurse has almost tripled because of these kinds of practices that we have to take.

If we could invest that money into our educational system, we could produce and have an excess of nurses. We project, a hundred thousand person shortage in New Jersey so far as employment is concerned, in the next decade. It does not make sense when you have so many, 56 percent, of the young black males who are unemployed.

The other thing, just in conclusion, is my concern of the black male in this plight. We did a recent survey and it indicated that there were more black men in prison than in college. Now, that really has a chilling effect on me, in particular, as it relates to the future. I think that we really have to come to grips with this problem and all roll up our sleeves to see about the solution. Thank you.

Senator **Brock**. Congressman, we are in such total agreement, I do not really need to add very much. The thing I was trying to say, though, is that there really is no one approach. We have got to do almost everything simultaneously. We are going to be out of people. We are out of teachers. We are out of nurses.

We are going to be out an enormous number of skilled people in all the professions soon if not already, and some companies are already having desperate trouble finding help now—good, competent help. Yet, you've got 23 million Americans who cannot read at the fourth grade level, who could not hold a job if you begged them to take it.

You have got another twenty to thirty million who cannot read at the ninth grade level and we are putting another seven hundred thousand into the workforce every year who drop out of school, and they cannot read at the ninth grade level, and of those who graduate, with a diploma in hand, you have got another seven hundred thousand that cannot read at the ninth grade level. That's a functional illiterate in today's cognitive based economy.

We have got all those people out there. Why don't we say, "Wow, what an opportunity we have got in front of us. Let's go back and do a recall program. Let's put them back into education and give them the tools."

Then, let's admit that you cannot solve this problem by trying to force feed down from the top. You've got to start with preschool education. You have got to deal with prenatal education. You've got to deal with the components of the problem that are the causative factors.

If you come in with a front-end problem, as I said earlier, with good preschool education and things like adequate nutrition, even child care, ought to be in learning centers, by the way. If you do those sorts of things, then you have got a long-term solution to go with the short-term redeployment of resources that have not been given skills but can be now.

Chairman **Hawkins**. Mr. Poshard?

Mr. **Poshard**. Thank you, Mr. Chairman. I have spent fifteen years as a classroom teacher and high school administrator. I spent the last five years in a secondary and elementary education committee in the Illinois State Senate, the last two years as a part of that committee helping to rewrite the Chicago School Reform Bill. My wife has been an elementary teacher for 17 years.

I do not say that by way of feeling that I have gained any special insight into education, except that I have had a lot of practical experience in our family in dealing with it. Throughout my career in education, the one thing that keeps coming back—and I do not know how we ever deal with it, I honestly don't, because I know there are ways that we can bring accountability to the teaching profession.

I know there are ways that we can make more cost efficient use of our resources, material, building, all other kinds of resources, but how do you bring about parental accountability?

We tend to put all these things in the inner city and associate them with minorities, all right?

Senator **Brock**. It's not.

Mr. **Poshard**. No, it is not anymore a problem there than it is anywhere else. But, how do we, when my wife, as a third grade elementary teacher, and she sends home a total of 73 slips during the year to indicate to the parents that their child is failing in this one particular area and they need to come in for a parental conference to help get the child up to par.

Over the course of the entire year, eleven of 73 parents show up for a conversation with their child's teacher. How are you ever going to change the system if you have got a whole generation of parents here who do not care about the education of their children.

So help me, that is the truth. I am not exaggerating the problem here. We cannot get parents to get involved in even sitting down with their children and going over the homework. Now, I have taught with and trained some of the best teachers I know, who end up getting burned out in a matter of four years and getting out of education altogether because they cannot get anybody at home to deal with the children.

They are good teachers. They do not go home when the bell rings at the end of the day. They have a good work ethic. They stay there. They write their goals and objectives and they are ready for the next day, but they can't even talk to the kid's parent. The kid comes to school with every problem in the world.

Is there a way we can do anything at the Federal level or even the state level, at which I could talk to some of my colleagues, to bring about any parental accountability? That, in my mind, is where we just throw up our hands and quit. It is probably the most significant thing of all, in terms of ever getting our kids back on track.

Senator **Brock**. I think it may be the most significant. I think every study I have ever seen says that parental involvement is the most single important factor in the child's performance in school.

There was one study I saw last fall that ran a direct track. You could run two parallel lines and put one of them on top of the other. The number of times a parent talks to a child, talks to a child, per week, and it tracks degrees that that child has in school. It has nothing to do with their IQ, their intelligence, their hard work or anything else. The number of times they talked to their parents had more to do with it than any other single predictive factor. That's an incredible thing.

I am not sure that there is a single reason as to why, but I do think that a lot of parents twenty-odd years ago got the idea that it didn't matter. They were told that they were so dumb that they did not have a right to interfere with the school system.

In the '60s, we told the parents, "Go away. We don't need you." These wonderful people that took over the school system in those days, with the new ideas of open classrooms and no homework and discipline and everything else. They said, "Get out of here, parents. You are old fashioned and you are screwing around with these kids and we know more than you do."

The parents, after awhile, finally got the message. We also told them, "It doesn't matter whether you comment or not. You do not have any voice in what we are doing." Parents can't complain about textbooks that are a sloppy and stupid bunch of pap.

They are criticized for being book burners if they do that. Some of them are, unfortunately, but the others are legitimate. It doesn't matter. In either case, they are not allowed to participate.

I am not sure that there is a simple answer. I do think that some things would help get the parent back involved and that is why I thought the choice at least ought to be tried, because it forces the parent to have some say in the thing. Maybe that will draw them back.

When you want to get parents involved, tell them that the high school football team is going to win or lose, then they get involved, or tell them that their kid cannot play, then they get involved.

Maybe the way to do it is to do what Texas has done and say, "No pass, no play." I like that. Maybe we ought to do away with a lot of the emphasis on athletics and put it on academic athletics, and start recognizing or rewarding parents that get involved and kids that do well, not the ones that can jump higher in a high jump contest but those who can perform better in an academic contest.

Chairman **Hawkins**. Mr. Owens?

Mr. **Owens**. Mr. Chairman, I have no questions.

Chairman **Hawkins**. Well, I guess that exhausts the list, Bill. You are a very exciting witness. I never thought such a simple little bill, H.R. 2235 would invoke such wide ranging discussion. We certainly appreciate it.

Senator **Brock**. You have excited our imaginations, Mr. Chairman.

Chairman **Hawkins**. We appreciate what you are doing and you and I are going to have to get together and discuss a few things.

Senator **Brock**. I'd love to.

Chairman **Hawkins**. It is a deep admiration and respect for what you are doing, Bill.

Senator **Brock**. Thank you, Mr. Chairman.

Chairman **Hawkins**. Thank you.

Senator **Brock**. Thank you for letting me come back and see you.

Chairman **Hawkins**. We have a distinguished Member of the House who is here who has asked for a brief statement. I would like at this time to call on Representative Bustamante.

STATEMENT OF HON. ALBERT G. BUSTAMANTE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. **Bustamante**. Thank you, Mr. Chairman, and I will be very, very brief both for you and, of course, our colleagues. Let me announce that I am pleased to be an original co-sponsor and I am here to support H.R. 2235 and ask unanimous consent to revise and extend my remarks.

Chairman **Hawkins**. Without objection, so ordered.

Mr. **Bustamante**. That is the end of my speech, but I will be happy to answer any questions if you want to know why I am in support of H.R. 2235.

[The prepared statement of Hon. Albert G. Bustamante follows:]

TESTIMONY BEFORE THE HOUSE EDUCATION AND LABOR COMMITTEE
ALBERT G. BUSTAMANTE
2175 RAYBURN H.O.B.
WEDNESDAY JUNE 15, 1989

TODAY, THE NUMBER OF COLLEGE STUDENTS STUDENTS RECEIVING DEGREES IN THE FIELDS OF SCIENCE AND MATH HAS DECREASED BY 26 PERCENT OVER THE PAST TEN YEARS, AND OVER ONE-THIRD OF ALL DOCTORAL DEGREES IN SCIENCE, AND MORE THAN HALF OF ALL ENGINEERING DOCTORAL DEGREES NOW GO TO FOREIGN STUDENTS STUDYING IN THE UNITED STATES. BUT UNFORTUNATELY, MINORITIES IN THIS COUNTRY HAVE BEEN UNABLE TO AVAIL THEMSELVES OF A COLLEGE EDUCATION. THIS IS EVINCED BY THE DISTURBINGLY HIGH DROPOUT RATES AMONG HISPANIC AND BLACK HIGH SCHOOL STUDENTS. IF THIS TREND CONTINUES, WE WILL BE HARD PRESSED TO GEAR OURSELVES READY TO RECONQUER THE WORLD MARKETPLACE.

ESPECIALLY DISTRESSING IS THE ACADEMIC UNDERACHIEVEMENT OF HISPANIC AMERICANS. GIVEN THE OVERALL YOUTH OF THIS ETHNIC GROUP, HISPANICS REPRESENT A LARGE PORTION OF OUR NATION'S FUTURE WORKFORCE. WE NEED HISPANIC AMERICANS TO REACH THEIR FULL POTENTIAL, BECAUSE WE ARE COUNTING ON THEM TO FILL JOBS VACATED BY A GENERATION OF NONMINORITY EMPLOYEES, WHO ARE FAST APPROACHING RETIREMENT AGE. IF HISPANICS ARE TO REACH THEIR FULL POTENTIAL WE MUST ENSURE THAT THEY ARE BETTER REPRESENTED IN ALL ACADEMIC FIELDS.

TO ADDRESS THIS PROBLEM, I CONVENED -- AS CHAIRMAN OF THE CONGRESSIONAL HISPANIC CAUCUS -- A NATIONAL FORUM HERE IN WASHINGTON, D.C. ON THE STATUS OF HISPANICS IN HIGHER EDUCATION. AFTER SPENDING A FULL DAY TALKING WITH VARIOUS EXPERTS IN THE FIELD, I BECAME CONVINCED THAT THE FEDERAL GOVERNMENT NEEDS TO ASSIST THOSE INSTITUTIONS THAT HAVE A SPECIAL COMMITTMENT TO HIGHER EDUCATIONK. AFTER REQUESTING THE CONGRESSIONAL RESEARCH SERVICE TO CONDUCT A STUDY OF THE ISSUE, I HAVE DRAFTED PRELIMINARY LEGISLATION TO ESTABLISH A FEDERALLY ASSISTED NETWORK OF TWO-YEAR AND FOUR-YEAR COLLEGES AND UNIVERSITIES WHICH ENROLL SUBSTANTIAL NUMBERS OF HISPANIC STUDENTS. HISPANICS, AS I HAVE ALREADY NOTED, ARE BECOMING A STEADILY INCREASING SEGMENT OF THE GENERAL POPULATION, AND EDUCATION IS PROBABLY ONE OF THE MOST IMPORTANT CONCERNS OF THIS GROUP OF AMERICANS.

UNFORTUNATELY, THE RATE OF HIGHER EDUCATION ENROLLMENT BY HISPANIC HIGH SCHOOL GRADUATES HAS DECLINED OVER THE PAST DECADE, AND THE RATE AT WHICH HISPANIC CHILDREN DROP OUT OF ELEMENTARY AND SECONDARY SCHOOL IS HIGHER THAN THE NATIONAL AVERAGE. UNLESS WE ENHANCE THE ABILITY OF SCHOOLS TO RECRUIT AND RETAIN HISPANIC STUDENTS, THIS DISCREPANCY WILL HAVE A MAJOR NEGATIVE IMPACT ON OUR COMMUNITY AND NATION'S ECONOMIC HEALTH. INSTITUTIONS OF HIGHER EDUCATION THAT ENROLL SUBSTANTIAL NUMBERS OF HISPANICS STUDENTS ARE IN A POSITION TO HELP IMPROVE THE MOVEMENT OF THSE STUDENTS THROUGH THE

EDUCATIONAL PIPELINE.

THIS TASK IS MADE EASIER BY THE FACT THAT HISPANIC COLLEGE AND UNIVERSITY STUDENTS ARE CONCENTRATED AT A RELATIVELY SMALL NUMBER OF INSTITUTIONS. IN FACT, IT IS IMPORTANT TO NOTE THAT LESS THAN 80 SCHOOLS ACCOUNT FOR OVER 50 PERCENT OF THE TOTAL HISPANIC ENROLLMENT NATIONWIDE. THAT'S WHY I AM ESPECIALLY PLEASED BY THE INCLUSION OF THIS PROVISION IN H.R. 2235, WHICH WILL STATUTORILY DEFINES AN HISPANIC-SERVING INSTITUTION OF HIGHER EDUCATION AS ANY DULY ACCREDITED TWO-YEAR AND FOUR-YEAR NONPROFIT INSTITUTION OF HIGHER EDUCATION THAT HAS AT LEAST 25 PERCENT HISPANIC STUDENTS. I BELIEVE THIS PROVISION IS REFLECTIVE OF THE BILL'S OVERALL SENSITIVITY TO THE EDUCATIONAL NEEDS OF ALL AMERICANS. I APPLAUD YOUR LEADERSHIP MR. CHAIRMAN IN INTRODUCING THIS LEGISLATION AND I STAND BEHIND YOU IN PUSHING FOR ITS PASSAGE IN THE 101ST CONGRESS.

Chairman **Hawkins**. Thank you. I understand that you do have some concerns that you wish to express. We will be very glad to receive them. I think I know of some of those concerns. At the staff level, I think we have already started to express the concern, and I assume that you are somewhat, if not the official representative this morning for the Hispanic Caucus, as well.

Mr. **Bustamante**. Yes, sir.

Chairman **Hawkins**. We will be obviously very much concerned with working with you throughout.

Mr. **Martinez**. Mr. Chairman?

Chairman **Hawkins**. Mr. Martinez?

Mr. **Martinez**. If I might, Mr. Bustamante, one of the things that—well, one of the questions that arises and one of your big concerns has always been for the advancement of Hispanics in education.

I understand that you have an amendment to the bill that would at least improve that to a degree from where it is now, or give a consideration where consideration has never been given before.

The question that arises in some people's minds is: Why? See, Hispanics do not traditionally have Hispanic universities or colleges and they never have. There is one based in San Francisco which is still trying, I think, to get accreditation. If they did, it is just recently. They really do not have an established campus, but they lease out or use other college campus facilities.

If we really go back in the history of the difficult time that Hispanics have had in institutions where primarily there are Hispanic populations, then let me clarify one thing first. The only real Hispanic colleges and universities that exist in the United States—not really in the United States, but where United States citizens attend—are really in Puerto Rico where there obviously is no discrimination because Puerto Rico is a commonwealth whose population is comprised almost solely of Hispanics, so there would not be that discrimination there.

In the mainland of the United States, even where there are majority populations of Hispanics in universities, there has been discrimination, more subtle than it has even against blacks. In many instances, the Hispanics traditionally have been given crumbs. In fact, minorities have been given crumbs and told to fight for those.

I do not think that is a situation we really want to get into. We want to get a fair share of the pie, not just crumbs. The problem arises that many personal experiences have not been enunciated.

Let me ask you at this time, because I know your personal experience is one that is reflective of many Hispanics who aspire to higher education, who aspire to greater things. Would you please share that with us?

Mr. **Bustamante**. Thank you so much, Mr. Martinez. Let me say that you are correct. The barriers, of course, are not only in discrimination but also, of course, economics. That has been one of the toughest areas for us as an ethnic group in the United States.

I grew up in an area of south Texas where most of us were migrant workers. I was the oldest of eleven children. In my eighth grade class, there were 31 of us. When I graduated, there was only 13 of us. Things have not changed in the last thirty some odd years. They remain almost basically the same.

The drop-out rate is between forty and fifty percent in many of these areas. It is very tough for young Hispanics to go to college. Where do we go? We go to the junior college; that's where we begin and then we have got to work our way through to the four year universities.

If we do not have that hundred dollars or three hundred dollars, we do not get in there, because we don't have enough money to pay the tuition. Mr. Chairman, I don't want to prolong this, but let me just give you an example.

When I was going to school, I went under the GI Bill. Every semester when I had to pay that college tuition, which was $84, I had a very tough time. I had to go borrow money, whether it was from loan sharks, whether it was from the college that could provide us with a fifty or hundred dollar loan.

I had to drop out my junior year and go work in Oregon, where we used to migrate every year from south Texas to Oregon. It was just a tremendous burden, a tremendous chore for me to just get by the school year.

I dropped out my junior year. I came back thinking that I had enough money to finish my last year. I almost dropped out in the middle of the semester because I didn't have the hundred dollars to repay the college loan and I needed $84 to pay my tuition and $35 for the rent.

Guess who loaned me the money to finish my last nine hours of college credit? The school janitor, who was a drinking friend of mine, sometimes on weekends, he loaned me $250 so that I could finish my last semester of college at Sul Ross State University, which is about fifty percent minority, Hispanic Americans.

There were a lot of other young people who were not as lucky as I was and maybe not as aggressive as I was, a lot of young people who did not have that opportunity. That is why I support H.R. 2235 simply because it provides some of this incentive, provides some of the assistance that people need.

It is a very tough road. Many of our young people do not get that opportunity that I got. Many of them do not have that janitor that can co-sign a note for them for $250 or three hundred dollars.

So, yes, we do have tremendous problems. They are still with us very much today. This is the reason that I have added language to the bill or made an amendment to the bill, so that we can give other young people an opportunity.

Mr. MARTINEZ. Thank you.

Mr. BUSTAMANTE. Thank you, Mr. Chairman.

Chairman HAWKINS. I appreciate it and we certainly appreciate what you are doing in support of the bill, too.

Mr. BUSTAMANTE. Thank you, so much.

Chairman HAWKINS. Thank you.

The Chair is going to ask that the next panel be called to the table now. Dr. Norwood, I ask you to join with this panel. We will address our questions first to you, but it seems to work out better when they understand that there are other members on a panel that they also can ask questions of.

Dr. Norwood, Commissioner, Bureau of Labor Statistics, will these witnesses be seated at the witness table, Dr. Vijaya Melnick, Center of Applied Research and Urban Policy, the University of the District of Columbia; Mr. William B. Johnston, project director, Hudson Institute; and, Dr. Sue Berryman, Director, Institute of Education and the Economy, Teachers College, Columbia University. We are pleased to have you.

Dr. Norwood, we will ask you to lead off. I would hope that if the Members have some questions, you will entertain a few of them. My understanding is that you are familiar with most of the questions, Dr. Norwood, we intend to ask you. Because we are running late and because I know that you probably have other business, we regret having kept you so long.

I will ask permission that after your general statement, that the questions the Chair would have asked you be submitted to you and that you may respond to them in writing at the earliest convenience. If that is satisfactory with you, we will not have to keep you around here all the morning.

As a general statement, you know generally what we are concerned about. We are concerned about the development of data concerning the workforce and the problems that may be involved in your being able to do it from a professional point of view with limited resources and so forth.

So, if you can give us some general idea about the advisability of the proposal in the proposal to try to develop an independent data base that would be reliably depended on by all, including the employers, public officials and so forth. I think that is generally what we want you to deal with.

STATEMENTS OF DR. JANET NORWOOD, COMMISSIONER, BUREAU OF LABOR STATISTICS; SUE E. BERRYMAN, PH.D., DIRECTOR, INSTITUTE ON EDUCATION AND THE ECONOMY, TEACHERS COLLEGE, COLUMBIA UNIVERSITY; VIJAYA L. MELNICK, PH.D., DIRECTOR, CENTER OF APPLIED RESEARCH AND URBAN POLICY, UNIVERSITY OF THE DISTRICT OF COLUMBIA; AND WILLIAM B. JOHNSTON, PROJECT DIRECTOR, HUDSON INSTITUTE

Ms. NORWOOD. Thank you very much, Mr. Chairman. In the interests of time, let me very briefly summarize some of the points in my statement.

First, let me say that it is always a very great pleasure to discuss labor market issues with you, and I am pleased to have this opportunity and also to follow a man for whom I have tremendous admiration.

Let me first say that, in my statement, I have tried first to clear up a rather common misunderstanding about the size of the new entrants into the labor force. I won't go into that here except to say that we expect the labor force will be increasing in size, more slowly, of course, than in the past, but nevertheless, there will be an increase.

There will also be a need for replacements for people who leave for retirement or for some other purpose, and we do anticipate that white males will be continuing to retire at a much greater rate than minorities will be and, therefore, some of the more commonly used figures—in particular, the nine percent increase in white males—is not really correct.

The distinction between these numbers—that is, the total amount of entrants and the net change—is really tremendously important because the demographic distribution of the total number of people entering the labor force by race, sex and Hispanic origin, is really much different from the demographic composition of the net change.

For example, black and Hispanic men and women combined will amount for about one-quarter of the new entrants, but as a proportion of the net labor force growth over the period, they will account for nearly one-half.

On the other hand, white males will account for almost one-third of the total entrants, but only for nine percent, about nine percent, of the net labor force increase. That is because many more white men than minority workers will leave the labor force over the next decade.

We should not under estimate the difficulties minorities face. Larger numbers of new minority workers will need to find jobs and their problems will need to be addressed.

The Bureau of Labor Statistics' occupational projections anticipate that three of the nine major occupational groups comprising our occupational structure will have greater than average growth between now and the year 2000.

Historically, these three groups—executive and administrative/managerial workers, professional workers and technicians and related support workers—have required considerable training and have also had above average earnings.

Unfortunately, blacks and Hispanics now make up a relatively small share of employment in these occupations that are expected to be fast growing. They are over represented in the slower growing, lower paying occupations.

It is important to recognize, as Secretary Brock clearly pointed out, that the occupations projected to have the most rapid growth have also had the highest educational requirements.

Now, I would like to point out that good employment opportunities will not be entirely limited to the occupations requiring formal education and training. Only about a quarter of all workers are now employed in these occupations and my statement goes on to discuss some of that.

But even those workers will have to be trained on the job by employers and will require skills in reading, in particular, and mathematics. Of course, many other issues also have a bearing on the success or the failure of minority workers to compete successfully in the labor market. Most of them are difficult to measure statistically.

It is far easier to recognize the need for statistical information than it is to develop it. For example, the Bureau of Labor Statistics has been developing occupational projections for more than four decades, but the projections of the overall labor force are much more accurate than for the individual groups within it.

This is the case in all data series and it is not unique to BLS programs. The general thrust for faster growth of the highest skilled occupational groups is likely to be much more accurate than the numerical projections for individual occupations. National data are easier to develop and tend to be much more accurate than data for individual states, and the data for small areas are subject to even greater error.

Now, while we have, I believe, one of the most advanced data systems in the world, there is always something about the labor market about which we would like to know more. Career ladders and occupational entry patterns are really not very well understood.

Our occupational structure is detailed and complex and there is considerable evidence that the definitions of occupations frequently change, and I believe, by the way, that that is going to change much more in the future than it has in the past.

Even defining an individual labor market area is time consuming and can be difficult, especially when looked at occupation by occupation. We have a more extensive occupational wage data collection program than most other advanced countries of the world but our knowledge of occupational wage and benefit practices is limited at this point to broad occupational groups at the national level and a detailed analysis for a very small number of occupations in even smaller numbers of areas.

Indeed, the detailed occupational data for local areas with comparable demographic distributions needed for in-depth analysis are only available every ten years when decennial census data have been collected.

The further we move through the decade after a census, the more unreliable the data, since our population is mobile and our labor market is rapidly changing.

Mr. Chairman, I believe, as I am sure you and other members of the committee do, that every citizen of this country must have an equal opportunity to benefit from the jobs that our economy can provide. I can assure you that we at the Bureau of Labor Statistics will do all that we can to provide the country with labor market information that can help to enhance that goal.

Thank you, very much.

[The prepared statement of Dr. Janet L. Norwood follows:]

STATEMENT OF
DR. JANET L. NORWOOD
COMMISSIONER
BUREAU OF LABOR STATISTICS
BEFORE THE
COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

June 15, 1989

Mr. Chairman and Members of the Committee:

I am pleased to be here this morning to offer some comments on the issues being considered by the Committee. My remarks will be based on the Bureau of Labor Statistics (BLS) program which projects labor force demographics and occupational employment demand to the year 2000. This work is a part of the biennial BLS analysis of future trends in the economy. I would also like to review some of the data limitations that impede a comprehensive analysis of the issues of concern here today.

Let me begin by clearing up what has become a common but incorrect interpretation of the statistics used to describe the demographic composition of new entrants to the labor force through the year 2000. BLS estimates (in the middle scenario of three alternative sets of projections) that the labor force will reach 138.8 million in 2000, 20.9 million more than in 1986, the base year of our latest set of projections. The data commonly but incorrectly used to describe the demographic composition of entrants over the

1986-2000 period are based only on this change of approximately 21 million. But, in addition to this increase in the size of the labor force, we estimate that 28.3 million workers will enter the labor force to replace workers who retire or leave the labor force for other reasons. The total number of entrants over the period, therefore, will be much larger than 21 million. In fact, we estimate that when the number of those needed to replace those who leave the labor force is added, the total number of entrants will number about 49.2 million.

The distinction between the total number of entrants and the net addition to the labor force is important because the demographic distribution of the _total_ number of entrants by race, sex, and Hispanic origin is much different from the demographic composition of the _net_ change of 21 million. The two concepts are different and must not be mistaken for one another. For example, black and Hispanic men and women combined will account for about one quarter (27.4 percent) of the new entrants, but as a proportion of the net labor force growth over the period, they will account for nearly one half (44.5 percent). On the other hand, white males (not including Hispanics) will account for almost one third (32.1 percent) of the total entrants between 1986 and 2000, but only for 9.2 percent of the net labor force increase. This is because many more white men than minority workers will leave the labor force over the next decade. In fact, the BLS estimates that white males will comprise about half of those expected to leave the labor force from 1986 to 2000.

The use of total labor force entrants rather than the net addition to the labor force reduces the estimated proportion of new minority workers, many of whom often experience difficulties in the labor market. However, we should not underestimate the difficulties minorities face. Larger numbers of new minority workers will need to find jobs, and their problems will need to be addressed. The concern is that many of these new workers may not have the education and skills that will be required for the kinds of jobs that are expected to be available.

The BLS occupational projections serve to highlight this concern. We anticipate that 3 of the 9 major occupational groups comprising our occupational structure will have greater than average growth. Historically, these 3 groups -- executive, administrative, and managerial workers; professional workers; and technicians and related support workers -- have required considerable training and have also had above average earnings. Unfortunately, blacks and Hispanics now make up a relatively small share of employment in these occupations that are expected to be fast growing. And they are overrepresented in the slower-growing, lower-paying occupations.

It is important to recognize that the occupations projected to have the most rapid growth have also had the highest educational requirements. These occupational groups have the smallest proportion of workers with less than a high school education and the highest proportion with a college education or beyond. Our black and Hispanic population, however, have a much greater proportion of workers with less than 4 years of high school (22.7 and 39.0 percent respectively) than the white population (15.8 percent). A much smaller proportion of blacks and Hispanics than of whites have completed 4 years or more of college. (The proportions are 14.3, 11.5, and 23.9 respectively). It is quite clear from these data that for some minority workers, lack of educational attainment can be a serious impediment to successfully competing for the most desirable jobs.

I should point out, of course, that good employment opportunities will not be entirely limited to the occupations requiring formal education and training. Only about one-fourth of all workers are now employed in these occupations. The construction trades, metalworking crafts, repairers, sales jobs, protective service occupations in

State and local governments, to name just a few, should have favorable job prospects. But many workers in these occupations, and others like them, are trained on the job by employers. Workers who do not have a good basic education, including language and mathematic skills, often do not qualify to enter employer training. A major issue we face for the remainder of this century, I believe, is increasing the educational and skill levels of labor force entrants who in the past may not have had the educational background required for the next century's jobs.

Of course, many other issues also have a bearing on the success or failure of minority workers to compete successfully in the labor market. Most of them are difficult to measure statistically.

As you know, it is far easier to recognize the need for statistical information than it is to develop it. For example, the BLS has been developing occupational projections for 4 decades, but the projections of the overall labor force are much more accurate than for the individual groups within it. This is the case in all data series, and is not unique to BLS's programs. The general thrust for faster growth of the highest skilled occupational groups is likely to be more accurate than the numerical projections for individual occupations. National data are easier to develop and tend to be much more accurate than data for individual States. And the data for small areas are subject to even greater error.

Let me say that while we have one of the most advanced data systems in the world, there is always something about the labor market about which we want to know more. Career ladders and occupational entry patterns are not well understood. Our occupational structure is detailed and complex, and there is considerable evidence that the definitions of occupations frequently change. Even defining an individual labor market area is difficult and time consuming, especially when looked at occupation by occupation. We have a more extensive occupational wage data collection program than most other advanced countries of the world, but our knowledge of occupational wage and benefit practices is limited to broad occupational groups at the national level and to detailed analysis for a very small number of occupations in an even smaller number of areas. Indeed the detailed occupational data for local areas with comparable demographic distributions needed for in-depth analysis are only available every 10 years when decennial census data have been collected. And the further we move through the decade after a Census, the more unreliable the data since our population is mobile and our labor market is rapidly changing.

Mr. Chairman, I believe, as I know you do, that every citizen of this country must have equal opportunity to benefit from the jobs that our economy can provide. I can assure you that we at the Bureau of Labor Statistics are doing all that we can to provide the country with labor market information that can help to enhance that goal.

Mr. **Martinez**. Thank you, Commissioner Norwood.

Let me state earlier, as the Chairman had earlier, that in order to expedite your time as well as the committee's time, that we might ask the members if they have any questions of Ms. Norwood that they submit them in writing.

If they feel an urgency to ask a question now, I certainly will allow it. Is there anyone who does not feel they can submit their questions in writing?

[No response.]

Chairman **Hawkins**. If not, thank you very much, Commissioner Norwood, for being here today and giving us your excellent testimony.

Ms. **Norwood**. Thank you, very much.

Mr. **Martinez**. In order to preserve time for the next witness, we will call Sue E. Berryman, Ph.D., Director, Institute on Education and the Economy, Teachers College, Columbia University, as our next witness.

Ms. **Berryman**. Thank you very much, Mr. Chairman and members of the House Committee on Education and Labor. I appreciate the opportunity to testify before you today on this bill.

Let me compliment the committee on an imaginative bill. One of its strengths I think is that it bridges several of the executive agencies that need to be involved in any realistic attack on the nation's human capital problems—and I agree with Secretary Brock that it is in a crisis situation, in particular, the Departments of Education and Labor.

Issues of human capital and productivity cut across schools and the workplace, across students and workers. However, traditionally, the Department of Education restricts its vision to the schools, the Department of Labor to the labor force and to second chance programs required by failures in standard education programs.

This balkanization shows up in vocabulary, policy and programs, helping to sustain disjunctures between our educational and training institutions and labor markets.

I want to comment very quickly. I think probably, given the nature of the time situation, I will comment just on three of the four issues. You have a discussion of the fourth one in the testimony that I submitted.

The first I want to talk about are the human capital problems that this bill is designed to alleviate. The second is dimensions of the problems that we face in integrating women and minorities into the scientific, engineering and technological occupations. The third that I want to talk about this morning is the necessity for major structural changes in our educational and training system if we are going to be able to make progress with either of the first two problems.

H.R. 2235 reflects an accurate understanding of a human capital crisis that our economy faces. It appreciates the ominous economic future facing those sub-groups that are not well equipped educationally to negotiate the major changes that are now occurring in labor markets.

Minorities contribute disproportionately to these subgroups as, in certain occupations, do women. Based on our and others' research, the Institute sees these very harsh human capital realities first, a century-long increase in skill requirements has accelerated during the last decade.

For example, in 1900 about thirty percent of the labor force worked as agricultural or non-farm laborers. About ten percent were employed in either professional, technical or managerial occupations. By 1980, these percentages had roughly reversed with six percent working as laborers and 26 percent as professionals, technicians or managers.

Industry case studies conducted by our researchers suggest accelerating increases in skill requirements during the 1980s. Although not all jobs are restructuring, a major story of these studies is the restructuring especially of lower skill work in ways that blur traditional distinctions between lower and higher skilled jobs.

Perhaps the most profound educational implication of computers in the workplace is that they replace learning based on visual observation with learning acquired primarily through symbols, whether verbal or mathematical.

I give you a couple of examples in my testimony about textiles and about machinists, both of which show how literacy requirements have shot up and show why they've shot up.

Secondly, growth in world trade is eliminating lower skilled jobs in the United States. The rapid shifts in trade patterns since 1979 have dramatically increased demands for skilled workers and eliminated many well-paid jobs for uneducated workers, particularly among non-white workers.

Trade patterns in 1984 showed job losses were concentrated in low and medium wage manufacturing while job gains were concentrated in high wage manufacturing, transportation and transactional activities such as finance.

Third, better educated workers are key to managing the technological change that increases productivity and economic growth. Our research shows that when technological innovation speeds the rate of change, employers hire people with more education.

More educated workers appear better able to deal not only with the technology itself, but also with the unstable environment created by rapid technological change. Thus, in high productivity growth industries, the average educational attainment of employees increases and more educated workers become key to productivity growth.

Fourth, falling numbers of new qualified workers will reduce employers' hiring choices and increase the need to retrain experienced workers including those with whom employers have had little training experience and unclear training success, particularly older workers and workers with less education.

Fifth, there is an ominous evolution of a dual labor market. The economic future for unskilled labor is one of shrinking opportunities and increasing poverty. For skilled labor, it is one of rising incomes and expanding choices, and that is just a central fact that we have to face.

Although discrimination, whether based on race, ethnicity, gender, age or handicap, is still alive and well in labor markets, the power of discrimination to box or trap individuals in bad jobs, regardless of their capabilities, has waned over the last quarter of a century.

Increasingly, jobs are becoming dead end because people lack the human capital to get out of them. They lack the education to enter markets. If they get into markets, they lack the education required for promotion or for being selected for retraining as their jobs are restructured.

Please don't think that employers are going to get us out of this problem. Employer-sponsored training traditionally reinforces, rather than reduces, the differences in educational attainment among employees.

Well educated people are not only the most likely to find employment, but also the most likely to receive training from their employers. Once trained, their greater productivity earns them more. They switch jobs less frequently and they are rarely unemployed.

If they change jobs, they find another more easily and are more likely to receive further training from their new employers. Those that start their careers lacking academic and problem solving skills fall further and further behind.

In the interests of time, I will just make one quick comment on the issues integrating women and minorities into mathematical, scientific and engineering occupations. I point out in my testimony there are two major issues you need to consider.

One is the timing of interventions. The second is that there are very substantial variations between women and minorities and among minorities in the etiology of and plausible solutions for underrepresentation in these occupations.

I do think the bill is right on target in terms of thinking about timing. You do talk about targeting some of this effort before and during high school and the data are very clear that if you are concerned about increasing the pool, as opposed to holding on to the ones you've got, this is where you've got to intervene.

It is over by the time the kids are out of high school because of the stacked sequence of mathematical requirements. Let me very quickly go to the issue of restructuring the education and training system. I really want to support what Secretary Brock said.

The economic challenge to our education and training system is to increase the human capital of all of its clients but especially of those outside the economic mainstream. The primary and secondary education system is the central arena for solving workforce problems.

Public policy must reflect this fundamental and inescapable fact; however, as the educational implications of the restructuring of the American economy and our changing demography become clearer, the stunning inadequacy of many educational reforms emerges.

What we are learning at our Institute argues for changes in what we teach, to whom we teach it, when we teach it, how we teach it and who teaches it. The issues raised here really pose formidable invention, research, development, evaluation changes in areas such as curriculum and associated textbook and software materials, the preparation of teachers, concepts of measurements of accountability and school structure.

Don't kid yourself that working on one of these is going to do it. We have got to work on them all, simultaneously and we have to invest something in our research and development infrastructure. We are bleeding to death from that point of view.

You cannot ask a little school—we talked about a little school in a town of 1500. They can't do this. This is the natural Federal role.

I would like to thank you very much for your time, and I appreciate your putting me forward. I am running a conference today and I very much appreciate your time. If you have any questions, just send them up there to Columbia and I will get back to you immediately.

Thank you.

[The prepared statement of Dr. Sue E. Berryman follows:]

TESTIMONY BEFORE THE U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON EDUCATION AND LABOR ON H.R. 2235

Rayburn House Office Building, June 14, 1989

Dr. Sue E. Berryman
Director, Institute on Education and the Economy
Teachers College, Columbia University
New York, New York

Let me complement the House Committee on Education and Labor on an imaginative bill. One of its strengths is that it bridges several of the executive agencies that need to be involved in any realistic attack on the nation's human capital problems--in particular, the Departments of Education and Labor. Issues of human capital and productivity cut across schools and the workplace, students and workers. However, traditionally, the Department of Education restricts its vision to the schools; the Department of Labor, to the labor force and to "second chance" programs required by failures in standard education programs. This balkanization shows up in vocabulary, policy, and program, helping to sustain disjunctures between our educational and training institutions and labor markets.

I want to comment on four issues: (1) the human capital problems that H.R.2235 is designed to alleviate; (2) dimensions of the problems that we face in integrating women and minorities into scientific, engineering, and technological fields; (3) the necessity for major structural changes in our educational and training system if we are to make significant progress with either (1) or (2); and (4) a few comments on H.R. 2235 itself.

HUMAN CAPITAL REALITIES

H.R. 2235 reflects an accurate understanding of the human capital crisis that our economy faces. It appreciates the ominous economic future facing those subgroups who are not well equipped educationally to negotiate the major changes that are now occurring in labor markets. Minorities contribute disproportionately to these subgroups, as, in certain occupations, do women.

Based on our and others' research, the Institute sees these harsh human capital realities.

A Century-Long Increase in Skill Requirements Has Accelerated During the Last Decade

Historically, technological innovation has increased the relative importance of higher-skill occupations. In 1900 about 30 percent of the labor force worked as agricultural or non-farm laborers; about 10 percent, in either professional, technical, or managerial occupations. By 1980 these percentages had roughly reversed, with 6 percent working as laborers and 26 percent as professionals, technicians, or managers.

The military occupational structure shows similar upward shifts in skill requirements. In the forty years between 1945 and 1985, the share of the enlisted force in white collar occupations increased from 28 to 47 percent, a shift primarily attributable to an increase in technical personnel from 13 to 29 percent. The share of the enlisted force in blue collar occupations declined from 72 to 53 percent.

Industry case studies conducted by our researchers suggest accelerating increases in skill requirements during the 1980s. Although not all jobs are restructuring, a major story of these studies is the restructuring especially of lower skill work in ways that blur traditional distinctions between lower and higher skill jobs. Perhaps the most profound educational implication of computers in the workplace is that they replace **learning based on visual observation** with **learning acquired primarily through symbols,** whether verbal or mathematical.

For example, in textiles, semi-literate operators used to be able to move into technician jobs because they could **literally see** how textile machines functioned. Today most machines have microprocessors and other electronic components that are not observable. To understand, diagnose, and fix the new machines, technicians now have to be able to represent their structures and processes symbolically in their heads by decoding complicated manuals, diagrams, and updates provided by the manufacturers. Literacy requirements have accordingly shot up.

In machining, computerized numerical control (CNC) machines radically alter the processes of set-up, control, and operation, replacing manual set-up and control with set-up by symbolic command. What is important about systems such as these is that they depart in significant ways from the traditional systems of knowledge that reflect accumulated production wisdom. They are content-free, formal, closed conceptual systems that have many of the characteristics of "school" subjects, such as mathematics or grammar. Individuals who have elected traditional machining were usually, while in school, not thought to have to function within such systems. Now they do.

Growth in World Trade Is Eliminating Lower-Skill Jobs in the United States

Changes in American trading advantages create employment problems. The new jobs in industries competing successfully are not always open to the people losing jobs as a result of increased imports. The rapid shifts in trade patterns since 1979 have dramatically increased demands for skilled workers and eliminated many well-paid jobs for uneducated workers--particularly among non-white workers. Trade patterns in 1984 show that job losses were concentrated in low- and medium-wage manufacturing, while job gains were concentrated in high-wage manufacturing, transportation, and transactional activities, including finance. Trade has displaced jobs requiring little education and created jobs that require higher education and skill levels.

Better-Educated Workers Are Key to Managing the Technological Change That Increases Productivity and Economic Growth

Our research shows that when technological innovation speeds the rate of change, employers hire people with more education. More educated workers appear better able to deal not only with the technology itself, but also with the unstable environment created by rapid technological change. Thus, in high-productivity-growth industries the average educational attainment of employees increases, and more educated workers become key to productivity growth.

Falling Numbers of New Qualified Workers Will Reduce Employers' Hiring Choices and Increase the Need to Retrain Experienced Workers, Including Those with Whom Employers Have Had Little Training Experience and Unclear Training Success

Since World War II, employers have met their need for more human capital by replacing each retiring generation of workers with a larger and better-trained generation of workers. But today the cohorts of new entrants are smaller, and a larger percentage of each cohort is coming from families with poor education. Fewer qualified new workers means that employers have fewer qualified applicants for each job, making it more difficult to match the increasingly complex demands of jobs with the skills of applicants. One employer option for obtaining the skills that they need is to retrain the experienced labor force--including classes of workers with whom employers have had little training experience and unclear training success, such as older workers and the less educated.

There Is an Ominous Evolution of a Dual Labor Market

The growing demand for skills, employers' reliance on well-educated workers to integrate new technologies into the firm, and the country's demography raise the prospect that economic growth will be constrained by a lack of well-educated and trained employees. More ominously, a dual labor market is evolving. The economic future for unskilled labor is one of shrinking opportunities and increasing poverty; for skilled labor, it is one of rising incomes and expanding choices.

Although discrimination--whether based on race, ethnicity, gender, age, or handicap--is still alive and well in labor markets, the power of discrimination to "box" or "trap" individuals in bad jobs, regardless of their capabilities, has waned over the last quarter century. Increasingly, jobs are becoming "dead end" because people lack the human capital to get out of them. They lack the education to enter markets. If they get into markets, they lack the education required for promotion or for being selected for retraining as their jobs are restructured.

Traditionally, employer-sponsored training reinforces rather than reduces the differences in educational attainment among employees. Well-educated people are not only the most likely to find employment, but also the most likely to receive training from their employers. Once trained, their greater productivity earns them more, they switch jobs less frequently, and they are rarely unemployed. If they change jobs, they find another more easily and are more likely to receive further training from their new employers. Those that start their careers lacking academic and problem-solving skills fall further and further behind.

INTEGRATING MATHEMATICAL, SCIENTIFIC, ENGINEERING, AND OTHER TECHNICAL OCCUPATIONS

The underrepresentation of women, blacks, Hispanics, and Native Americans among the quantitatively-based degrees and occupations is well-documented. Efforts to reduce this problem, such as H.R. 2235, need to reflect two realities: (1) the timing of interventions; and (2) variations between women and minorities and among minorities in the etiology of and plausible solutions for underrepresentation in these occupations.

TIMING

To increase a subgroup's representation in these fields, policymakers can either try to increase the group's share of the initial mathematical and scientific talent pool or try to reduce attrition along the educational pipeline. In either case, timing is critical.

The scientific/quantitative talent pool first appears in elementary school, as defined by mathematical or scientific career interests. As cohorts move through school, it is defined increasingly by higher mathematical achievements. The evidence shows that the scientific/mathematical talent pool, as thus defined, emerges strongly before grade 9, appears to reach its maximum size prior to grade 9, and subsequently declines in size through graduate school. Although the talent pool seems to reach its maximum size before high school, migration into the pool continues to occur during grades 9 through 12. However, after high school migration is almost entirely out of, not into, the pool.

In other words, the probability that an individual not in the pool at the end of high school will enter it during college or graduate is close to zero. This irreversibility coincides with the conclusion of the high school mathematical sequence required for mathematical, scientific, and engineering majors, if less so for technician fields of study. Those who have quantitatively-oriented careers a decade after high school come overwhelmingly from the group that had scientific and mathematical career interests and high mathematical achievement scores in grade 12.

These results have two major policy implications. First, strategies to increase the size of the initial scientific/mathematical pool of minorities and women should be targeted before and during high school. H.R. 2235 is right on target here. (See Section 6(f)(2)(B).) Second, strategies to decrease attrition from the pool can be targeted at any point in the process, since attrition from the educational pipeline itself and from quantitative fields within the pipeline occurs at all points. Again, H.R. 2235 fits these intervention points. The only question is about the allocation of resources implied by the bill: the middle and secondary level versus post-secondary level. The pool of women and minorities coming out of the high schools who are prepared to pursue quantitatively-based degrees and careers is very small. It could be argued that enlarging the pool should be the top priority. In this case, resources need to concentrated on the compulsory levels of school.

SUBGROUP VARIATIONS

Subgroups vary in the etiology of their underrepresentation among quantitively-based degrees and careers. Accordingly, solutions should vary.

Women and minorities differ more in etiology than minority groups differ among themselves. For example, an accumulating literature indicates that girls' occupational expectations depend on how they expect to allocate their time between the labor force and the home during adulthood. Girls who expect more labor force participation have occupational goals that approximate those of their male counterparts. They are more apt to choose traditionally male occupations and ones that require systematic educational investments, such as the elective high school mathematics sequence. Ironically, the high school tradition of offering more advanced mathematics as electives interacts with young women's adult expectations for themselves to let those with more traditional expectations to forego those electives. They thus foreclose subsequent quantitatively-based options for themselves. Removing choice during high school would preserve it after high school.

Poverty has well documented consequences for children's school achievement, poverty being not just a matter of economic hardship or poor nutrition, but also reflective of family patterns that affect children's involvement with and success in school. Socio-economic class is the initial cause of minority underrepresentation in quantitatively-based fields, and public resources, as embodied in education, scholarships, and other instruments, become key to buffering against the effects of class. However, how we organize and use public resources to help these children, as in the public schools, too often compounds, rather than buffering against, these effects.

RESTRUCTURING THE EDUCATION AND TRAINING SYSTEM: NECESSARY, IF NOT SUFFICIENT

The economic challenge to our education and training system is to increase the human capital of all of its clients, but especially of those outside the economic mainstream. The primary and secondary education system is the central arena for solving workforce problems. Public policy must reflect this fundamental and inescapable fact. However, as the educational implications of the restructuring American economy and our changing demography become clearer, the stunning inadequacy of many educational reforms emerges.

Those reforms that are targeted at improving students' academic skills are clearly appropriate. However, documented changes in the nature and structure of work and advances in cognitive science argue for fundamental changes that go well beyond increasing "basic" skills. States and local school districts have put enormous energy into improving the "basics". However, we have known for several years that: (1) employers require more than the basics; (2) many --although hardly all--students can handle the basics; (3) most students cannot handle the more complex information-processing problems that non-school settings typically pose; and (4) the frequent "drill-and-practice" methods of teaching the basics create or increase learning problems. In other words, the "basics" are not the most serious literacy problem, and how we teach the basics interferes with solving the more serious problems.

What we have learned argues for changes in what we teach, to whom we teach it, when we teach it, how we teach it, and who teaches it. The issues raised here pose formidable invention, research, development, and evaluation challenges in areas such as curriculum and associated textbook and software materials, pedagogy, the preparation of teachers, concepts and measures of accountability, and school structure. At this point changes of this magnitude seem our one best hope of deeply involving those for whom school, as currently and traditionally structured, promises failure.

Despite the rhetoric, our post-secondary education and training programs--JTPA, community colleges, adult literacy programs, corporate training--do not seem to differ substantially in their curricular or pedagogic strategies from our elementary and secondary schools. American experiences with elementary and secondary schools strongly structure what we think "school" or "education" should look like. Thus, we seem to reflexively borrow the elementary and secondary model to structure even "second chance" and other non-traditional training programs for those students who failed in the elementary and secondary system.

COMMENT ON H.R. 2235

Although I was not asked to comment on H.R. 2235 itself, I would like to register a concern about Section 3 (Employer Reports). These reports require sophisticated employer personnel records. The Institute's experience in working with employer records is that many employers, even many large employers, keep very primitive personnel records. Those that they do keep are often not kept in a way that allows the tabulations required by H.R. 2235. If legally required to submit these reports, employers will give the government numbers, and, over time, the legal pressures will probably force employers to improve these numbers. However, the quality of these data, especially in the early years, will be very suspect.

Mr. **Martinez**. Thank you very much, Dr. Berryman, for your excellent testimony and we understand your problem with the conference.

Ms. **Berryman**. Thank you. I just remembered I have two hats this morning. I was asked to submit in testimony the testimony of Constance Citro, Dr. Citro, who was invited to speak today.

She was the study director of a National Academy of Science panel on which I served, and this was to really rethink the whole National Science Foundation data base on scientists and engineers.

I want to submit that testimony and say that these again are the changes in these data systems that I see the National Science Foundation vigorously starting to pursue are key to getting the information data base that you people need to back up H.R. 2235.

Thank you, very much.

[The prepared statement of Constance F. Citro follows:]

Statement of

Constance F. Citro

Study Director, Panel to Evaluate the NSF
Scientific and Technical Personnel Data System
Committee on National Statistics
National Research Council

before the
Committee on Education and Labor
U.S. House of Representatives

Washington, D.C.
June 14, 1989

Mr. Chairman, thank you for the invitation to testify before the committee as it considers the numbers and qualifications of new entrants to the labor force in the coming decades--a of matter critical importance for the nation's ability to maintain a healthy economy in the face of rapid technological change and strong competition from abroad. My testimony is on behalf of a panel of the Committee on National Statistics of the National Research Council that was asked by the National Science Foundation to evaluate the quality and utility of the data system maintained by NSF about a key component of our workforce--namely those people working or qualified to work as scientists and engineers. I served as the panel's principal staff officer. The panel recently issued a comprehensive report, entitled Surveying the Nation's Scientists and Engineers: A Data System for the 1990s. I have attached the summary of the report to my written statement and request that both be entered into the record.

As the report notes, scientists and engineers have been and continue to be critical to both the economic development of the United States and the rapid pace of technological change characteristic of American society.

Their impact undoubtedly outweighs their small numbers in the total labor force, since they are responsible for the research and development that results in the scientific discoveries and technological innovations that spur further economic growth.

For almost 40 years, the National Science Foundation has had the responsibility within the federal government to provide detailed information about the nation's scientists and engineers--including data about the contribution of women, minorities, and immigrants to the science and engineering supply pool. To carry out its mandate, NSF currently operates the Scientific and Technical Personnel Data System. The core of the system is a data base on individuals who were selected from the 1980 decennial census on the basis of their occupation and educational attainment. These people were surveyed first in 1982 in the NSF Postcensal Survey and are being resurveyed at two- to three-year intervals. The information for experienced workers is supplemented regularly with data on recent recipients of bachelor's and master's degrees in science and engineering fields. Other NSF-sponsored surveys provide detailed information about holders of doctorates in these fields.

With the approach of the 1990 census and the consequent need to draw a new core sample of scientist and engineers, NSF asked the panel to consider the best design for the data system in 1990. NSF sought advice from the panel on a range of technical issues, including appropriate sampling frames, sample sizes and stratification for the component surveys, operational procedures to improve data quality, etc.

To formulate recommendations for the future, the panel had to throughly understand the current data system and its strength and weaknesses. In its review, the panel identified a number of problems with the NSF estimates. One problem concerns the basic concepts that are used to define who is a scientist or engineer. NSF has sought over the decades to provide a single set of estimates that take into account several criteria and that encompass a broad supply pool. The current system uses a computer algorithm to screen survey respondents on the basis of occupation, academic training, and professional self-identification. Roughly speaking, respondents are classified in a science or engineering field if they meet two of three criteria for the field. (Generally, they must also have a bachelor's or higher degree.) The NSF estimates resulting from application of the algorithm include most people who are currently working as scientists or engineers, although not those who lack relevant training or prior experience. They also include many, but not all, people who, while employed in other fields (including management), have academic degrees in science and engineering subjects and could be expected to respond to increased demand.

NSF's goals of providing a broad base set of estimates are reasonable ones. However, upon closer scrutiny, the categorization of the science and engineering population produced by the algorithm is very problematic. The algorithm turns out to be inordinately complex and inconsistent in its application of the two-out-of-three criteria across science and engineering fields. Hence, the resulting estimates are unclear and likely to be misapplied. The NSF estimates are also not comparable to estimates produced by other data systems, and the differences are not readily explained. For example, NSF estimates of growth rates in the science and engineering population in the 1980s are almost double those estimated from data of the Bureau of Labor Statistics. Finally, the use of a single estimate for each field inhibits analysis directed to understanding science and engineering labor markets, in which the need is to analyze the components of supply, distinguishing among current workers, people with high probabilities, and people with low probabilities of entering or reentering the field.

The design and operation of the component surveys in the NSF system also cause problems for the estimate. There are gaps in coverage of the population that have increased over the decade--specifically, the system does not track new entrants into science and engineering from other academic backgrounds or immigrants trained abroad. In addition, there are problems stemming from high nonresponse rates, poorly measured items, and other sources of biases in the estimates. The estimates are also affected by a problematic sample design for the core 1982 Postcensal Survey that resulted from budget limitations combined with the need for data on both people currently employed in science and engineering and people with the kinds of training and experience that make them part of the supply pool. Very large differences in sample weights in this survey resulted in estimates with very high sampling errors. Ways were found to reduce the sampling errors but at the cost of introducing unknown but likely substantial biases. Compounding the problems with the design and operation of the NSF surveys has been an insufficiency of resources available for quality control and improvement of the data system.

The panel recognized that it is a difficult job to design a cost-effective system to track scientists and engineers over time. Not only is the population very small relative to the total workforce and even relative to the college-educated workforce, but the population experiences inflows and outflows that are not easy to monitor. Moreover, the accurate classification of workers by their occupation presents difficult measurement problems. Nonetheless, the panel believes that these problems can and should be addressed and that reasonable solutions can be found.

The panel developed an extensive series of recommendations for the design and operation of the NSF science and engineering personnel data system in the 1990s. A key recommendation is that NSF drop its current definition of scientists and engineers. Instead, NSF should provide data separately for people who are currently employed as scientists and engineers, even if they were trained in other fields, so that the composition and experience of the current workforce can be analyzed. NSF should also provide data separately for people with degrees in science and engineering subjects, even if they are occupied elsewhere, so that the career paths of trained personnel, the extent to which society realizes a return on the investment in their education, and the adequacy of the supply pipeline can be studied. In each case, NSF definitions should be comparable at aggregate levels with standard federal classifications, such as the Standard Occupational Classification.

To further improve the quality and utility of data on the science and engineering component of the workforce, the panel recommended that content items be added to the NSF surveys to provide more detail about the kinds of work that scientists and engineers do, their career paths, and their productivity. NSF should also improve its survey operations and expand its program of data dissemination and working with the user community. In order to achieve the necessary levels of data quality and relevance, the panel concluded that NSF requires additional resources for the data system, computed on a per-case cost basis.

An important theme running through the panel's recommendations is the need for NSF to monitor the operation of the data system on a continuing basis. The panel recommended that NSF devote a significant fraction of the resources for the system to research and evaluation activities directed to understanding and improving its estimates of scientists and engineers. The panel further recommended that, toward the end of the 1990s, NSF conduct a thorough, zero-based evaluation of the redesigned system to determine what additional changes need be made to it in the following decade. In this way, NSF will continue its tradition of review and evaluation devoted to improving the usefulness of its information on science and engineering personnel resources.

The panel is very excited about the prospect of having a data system in the 1990s that will meet high standards of quality and utility and greatly increase our ability to understand the scarce vital resource that is represented by our nation's scientists and engineers. The members are also excited about the prospect that the data produced by NSF will be comparable with data produced by other agencies and can both enhance and be enhanced by other data sets. The panel has urged NSF to give high priority to implementing its recommendations and to seeking the necessary funding for the system. Panel members recently met with the NSF staff responsible for operating the data system and were very encouraged by their positive response to the report and recommendations. The panel is confident that, with the proposed changes, the science and engineering personnel data system will provide a rich storehouse of information for improved research and policy analysis and for more effective planning by the public and private sectors.

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Surveying the Nation's Scientists and Engineers: A Data System for the 1990s

Constance F. Citro and Graham Kalton, Editors

Panel to Study the NSF Scientific and Technical
Personnel Data System

Committee on National Statistics
Commission on Behavioral and Social Sciences
and Education
National Research Council

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NOTICE: The project that is the subject of this report was approved by the Governing Board of the National Research Council, whose members are drawn from the councils of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The members of the committee responsible for the report were chosen for their special competences and with regard for appropriate balance.

This report has been reviewed by a group other than the authors according to procedures approved by a Report Review Committee consisting of members of the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine.

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Panel to Study the NSF Scientific and Technical Personnel Data System

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Summary

Scientists and engineers have been critical to both the economic development of the United States and the rapid pace of technological change characteristic of American society. Their impact undoubtedly outweighs their small numbers in the total labor force, since they are responsible for the research and development that results in the scientific discoveries and technological innovations that spur further economic growth. It can be argued that scientists and engineers will prove even more critical to the continued social and economic development of the country as it confronts the challenges of the future.

In recent years, policy makers, planners, and researchers have been asking many more questions with greater urgency about the nation's scientific and engineering personnel. Some questions are basic ones about numbers and characteristics: How many are in each specialty? What proportions are women and minorities? Other questions probe more deeply into issues of supply: How many scientists and engineers are leaving and how many are remaining in the field? Are sufficient numbers graduating from the colleges and universities? What role will foreign-born graduates play in the technological development of the United States? What is the impact of government programs, such as fellowships and support for basic research, on the adequacy of supply? Other questions concern the effective utilization of scientists and engineers in the work force: How easy is it for them to move from one field to another in response to changing demand? Can they successfully move between civilian and defense-related work? How well are their skills being used by the organizations in which they work? Answers to all these questions are needed for effective planning and policy development in both the public and the private sectors.

THE ROLE OF NSF IN PROVIDING INFORMATION

For almost 40 years, the National Science Foundation (NSF) has had the responsibility within the federal government to provide information about the nation's scientists and engineers. To carry out its mandate, the NSF Division of Science Resources Studies (SRS) currently operates the Scientific and Technical Personnel Data System (STPDS). The core of the system is a data base on individuals who were selected from the 1980 decennial census on the basis of their occupation and educational attainment. These people were surveyed first in 1982 in the NSF Postcensal Survey and are being resurveyed at two- to three-year intervals in the NSF Experienced Sample Survey. The information for experienced workers is supplemented regularly with data from the NSF New Entrants Surveys of recent recipients of bachelor's and master's degrees in science and engineering fields. Additional information about holders of doctorates in these fields is obtained from complete annual censuses of new recipients of Ph.D.s--the Survey of Earned Doctorates--and from a panel survey of a sample of working-age doctorate holders who are followed up every two years--the Survey of Doctorate Recipients.

REASSESSING THE NSF SYSTEM'S GOALS AND DESIGN

The NSF Science Resources Studies Division expects to draw a new sample of experienced scientists and engineers from the 1990 decennial census to form the core of its personnel data system for the 1990s. The need to refresh the sample offers the opportunity to examine the design and operation of the STPDS and its components and to determine changes that could improve the system. Hence, in 1986 the Science Resources Studies Division asked the Committee on National Statistics to convene a study panel of experts to make recommendations and provide design specifications for the STPDS in the 1990s.

The Committee on National Statistics appointed the Panel to Study the NSF Scientific and Technical Personnel Data System, which first met in January 1987. The original charge to the study panel was to focus on the technical characteristics of the STPDS--such as the number and frequency of surveys, approximate sample sizes needed to provide estimates for subgroups of policy interest, and procedures for improving the quality of data items.

To formulate our recommendations, the panel found it necessary to address a broader set of issues than those listed in the charge. In reviewing the current data system, we raised questions about the users of the data and their goals for use of the information, about the definition of scientists and engineers applied by the system and how it relates to user needs, and about the informational content provided by the system and its quality and relevance to user needs. In considering the design of the data system for the 1990s, we asked such questions as whether there is a need for a national data system on scientists and engineers in the 1990s and beyond, whether NSF is the best locus for such a data system, and what purposes ideally such a system would serve and what population it would cover. Considering the reality of resource constraints, we further asked where trade-offs must be made in the objectives and design of the system. Finally, we asked what operational changes NSF needs to implement to achieve and maintain a high degree of quality, utility, and accessibility of the data.

Below we summarize our answers to these questions. We first review perhaps the most important and vexing issue that confronted us in evaluating the system and determining how it should be improved for the future: defining the science and engineering population. We then summarize our evaluation of the current system and our recommendations for its design and operation in the 1990s.

PERSPECTIVES ON SCIENTISTS AND ENGINEERS

The issue of defining the target population for the NSF personnel data system concerns not only which fields--such as chemistry, sociology, electrical engineering--to include, but, more important, what criteria to use to define who falls within the boundaries of those fields. There are many perspectives on the question of who is a scientist or an engineer.

Many users, such as personnel planners and labor market analysts, operate from an employment perspe[illegible], from which occupation or work activity is the primary means of defining scie[illegible] and engineers. People included in science and engineering fields on th[illegible] of occupation may vary widely in educational background (some may no[illegible] college degrees), previous work experience, and the level and type of work act[illegible]erformed. Many other users, such as educators and researchers concerned with [illegible]ply, utilization, and career paths of trained personnel, operate from an ed[illegible]on perspective, from which field of academic degree is the primary means of definin[illegible]he science and engineering population. People included in science and engineering fields on the basis of their academic training may vary widely in their work experience--some may work in occupations outside science and engineering, and some may never enter the work force at all.

Still other users want to employ a combination of occupational and educational criteria or to introduce other criteria into the definition of the science and engineering population--criteria such as professional association membership, professional certification or licensure, years of work experience, and self-identification with science or engineering. The National Science Foundation itself has sought over the decades to provide estimates of the numbers and characteristics of scientists and engineers based on a single definition for each field that takes into account several criteria. The current system uses a computer algorithm to screen respondents as scientists or engineers on the basis of occupation, academic training, and professional self-identification. Roughly speaking, respondents are classified in a science or engineering field if they meet two of three criteria for the field. (Generally, they must also have a bachelor's or higher degree.)

The NSF concept of the science and engineering population is broader than that of just current job holders; it includes people who, although not currently employed as scientists or engineers, can be considered as part of the supply pool on the basis of their training and experience. The concept also includes trained scientists and engineers who are working in management or administrative positions. The concept excludes those who are currently employed in science or engineering if they do not also have related training or prior experience.

Each of these perspectives on scientists and engineers has different implications for the cost-effective design of a national data system and the user needs that it can best serve. At the beginning of the decade, the census affords the opportunity to obtain information about the full range of scientists and engineers, including people employed in science and engineering work and people trained in science and engineering fields. Thereafter, it is relatively easy to sample new graduates in science and engineering at reasonable cost but hard to represent adequately the small proportion of people in the labor force who enter science and engineering employment from other fields of training. It is also the case that an occupation focus encounters measurement problems related to the difficulty in accurately classifying the work that people do. However, an education focus alone overlooks the contributions to science and engineering of people with other backgrounds and, conversely, includes many people who never use their training.

NSF currently makes a valiant attempt via the screening algorithm to construct a single definition of each category of scientists and engineers based on multiple criteria. However, this approach has not provided a satisfactory solution to the need for data to serve different perspectives. The estimates resulting from the application of the algorithm turn out to be ambiguous, subject to misinterpretation by users, and very difficult to relate to estimates produced by other data systems.

EVALUATION OF THE CURRENT SYSTEM

We thoroughly investigated the overall quality of the current data system and the extent to which it is actually realizing its potential to support detailed analysis of the nation's science and engineering personnel resources. From our review, we conclude that weaknesses in the system greatly impair the value of the information for the purposes it is intended to serve.

A major weakness concerns the basic concepts that are used to define who is a scientist or an engineer. We became acutely uncomfortable with the categorization of the population produced by the screening algorithm. Closer investigation determined that the algorithm is inordinately complex and inconsistent in its application of the two-out-of-three criteria across science and engineering fields. Hence, the resulting estimates are unclear and likely to be misapplied. For example, the NSF estimate of employed chemists is not, as one might expect, the number of persons working in chemistry. In fact, the estimate includes most--but not all--working chemists plus some persons with degrees in chemistry who are employed in management or some other totally unrelated field.

The NSF estimates are also not comparable to estimates produced by other data systems, and the differences are not readily explained. For example, it is hard to know what to make of the fact that the NSF estimate of the total science and engineering population in 1984 is almost twice the Bureau of Labor Statistics (BLS) estimate of employed scientists and engineers, but only three-fifths of the Census Bureau estimate of persons with their highest degree in a science or engineering field. In addition, NSF estimates of growth rates in the science and engineering population in the 1980s are almost double those estimated from BLS data. We are greatly troubled by these differences, which we believe result from methodological problems in the NSF surveys, as well as from the conceptual differences between the NSF algorithm and the definitions used in other data systems.

Finally, the use of a single estimate for each field inhibits analysis directed to understanding science and engineering labor markets, in which the need is to analyze the components of supply. In short, the NSF estimates produced by the algorithm are at best only generally informative to users and at worst misleading.

Other weaknesses stem from the design and operation of the surveys in the NSF system. First, there are gaps in coverage, which were minor in the 1982 Postcensal Survey but have grown over the decade. The surveys are not able to represent scientists and engineers who received their degrees abroad and came to the United States after 1980. Moreover, cost considerations dictated that the New Entrants Surveys be limited to people with science and engineering degrees, even though the population concept embedded in the algorithm explicitly includes people who enter science and engineering employment from other backgrounds.

Second, the three variables used in the algorithm are not consistently measured across the surveys, and the key concept of occupation is poorly measured. In particular, the New Entrants Surveys and the Survey of Doctorate Recipients measure occupation in a way that disposes respondents to indicate their field of training rather than the kind of work they do. Hence, it is likely that NSF overestimates the propensity of new graduates to enter science and engineering employment. We believe that other aspects of the surveys also contribute an upward bias to the estimates.

Third, nonresponse to the surveys is high. To the extent that the characteristics of nonrespondents differ importantly from those of respondents, elements of bias are introduced into the estimates for which weighting adjustments can only partially compensate.

Finally, budget limitations combined with the need for data on both people currently employed in science and engineering and people with the kinds of training and experience that make them part of the supply pool led to a flawed sample design for the 1982 Postcensal Survey. The design greatly oversampled college graduates with an occupation related to science and engineering in 1980 and greatly undersampled all other graduates; however, in 1982 and subsequent years a significant number of the latter were classified by the algorithm as scientists or engineers. The very large differences in sample weights resulted in estimates with very high sampling errors. Ways were found to reduce the sampling error but at the cost of introducing unknown but likely substantial biases.

The problems with the design and operation of the NSF surveys have been compounded by the lack of resources devoted to quality control and improvement. NSF has not had in place adequate programs to monitor the quality of its data, evaluate the problems that have surfaced, test alternative ways of handling these problems, or implement solutions.

In addition to these conceptual, design, and operational problems, the current NSF system suffers impediments to data access and use. Although the SRS staff are very responsive to requests from individual users for information, the data have not proved readily accessible to the research community. Because of concerns with protecting confidentiality, no public use microdata files have ever been developed for the Survey of Doctorate Recipients. The microdata files containing individual responses to the other surveys are large and complex. The documentation does not completely describe important aspects of the data, and there are no seminars or other programs to inform and train potential users. Moreover, the content of the surveys is quite limited for analysis purposes, lacking variables that would permit intensive study of the factors that influence the work experiences, career paths, and productivity of scientists and engineers. The result is that, while there are many users of the NSF estimates to satisfy specific information needs, there are few users who work with the data base to conduct the kind of in-depth analyses that support policy planning, add to basic knowledge, and provide the feedback that is essential for maintaining and improving data quality.

THE NEED FOR DATA ON SCIENTISTS AND ENGINEERS IN THE 1990s

Clearly, major changes are required if the NSF system is to prove an adequate resource for understanding the nation's supply of scientists and engineers in the future. A fundamental question is whether the information needs of the 1990s and beyond justify continuing a national data system and allocating the resources that will be required to maintain it at a high level of quality and relevance.

We believe that the answer to this question is clearly yes. Early in its deliberations, the study panel identified a long list of needs for comprehensive data on science and engineering personnel. A common theme that emerged from our discussions with users was the unusual importance of scientists and engineers to the nation's continued productivity and economic growth and hence the need to be unusually concerned with labor market conditions for this group. The federal government historically has demonstrated concern with ensuring an adequate supply of qualified scientists and engineers through programs to support education in these fields and to help new graduates get started in their careers. Hence, an overriding justification for a national data system on scientists and engineers is to provide information to the Congress, the National Science Foundation, and other federal agencies to flag emerging problems in the supply and utilization of qualified scientists and engineers and to help design and evaluate cost-effective government programs in this area.

A national data system can also be invaluable to researchers, including labor economists, sociologists of science, and educators, who require information that will support detailed analysis of the operations of the science and engineering education pipeline and labor markets. Finally, a national data system can help many other users who require information on scientists and engineers for planning and evaluation purposes, such as firms involved in technological work and professional associations. Properly designed and adequately funded, a national data system can best meet the needs of users for data that permit comparative analysis across science and engineering fields and across time, data that are sufficiently detailed to address a broad range of issues and concerns, and data that are of high quality.

We believe that it is vitally important to continue a national data system on scientists and engineers through the 1990s. The nation's ability to maintain a healthy and competitive economy in the face of rapid technological change and fierce international competition and at the same time to meet pressing social needs in education, health care, and other fields requires effective development and utilization of its science and engineering personnel resources. Correspondingly, the nation requires a comprehensive, healthy, and flexible science and engineering personnel data system.

THE LOCUS FOR THE DATA SYSTEM

Although the current NSF Scientific and Technical Personnel Data System was intended to serve many of the user needs that we have outlined, it has fallen short of its goals because of the many problems and limitations reviewed above. In our view, an important reason for these problems is that during the decade of the 1980s NSF has failed to invest sufficient resources in the system and in the staff who operate it.

The basic mission of NSF is to support scientific research through grant programs. For much of its existence, NSF has also sponsored programs to improve science and engineering education and to enhance the supply of qualified scientists and engineers. However, NSF is not a statistical agency, and it appears that the agency has not fully realized all that is required to maintain a statistical program. To consistently provide high- quality, useful data, resources must be allocated not only to data collection and processing operations as such, but also to quality control of all operations, continuing evaluation and experimentation to understand and improve the data, and active involvement with users. All these activities need to be managed by staff who are abreast of the state of the art in survey methodology and whose work is valued and supported by the entire organization.

We considered the option of recommending that the data system be turned over to another agency that has a clear statistical mission and a tradition of devoting resources to data and staff quality. However, only NSF has the needed focus on scientists and engineers, including a concern with both their educational development and subsequent utilization in the work force. Among federal agencies, NSF has the most direct stake in high quality information on the science and engineering population for its own program planning and for providing input on broader issues of science policy for the nation.

Accordingly, we conclude that, since NSF is the lead agency within the federal government for developing science policy and funding basic scientific research, NSF should continue to be the lead agency within the federal government for providing comprehensive data on the science and engineering personnel resources of the nation. In order to develop and maintain a personnel data system that will adequately meet the needs of the 1990s and beyond, it is vitally important that NSF undertake to provide the necessary budget and staff resources and institutional support (Recommendation 5.1).

Of course, other agencies will continue to collect data in support of their own missions that pertain to scientists and engineers. These data can be very important for helping to evaluate the quality of the NSF information and permitting comparisons with other population groups. In order to enhance data comparability and utility and reduce duplication of effort and costs, we believe that NSF should play the lead role in coordinating federal data programs on scientists and engineers. Working within the framework of established federal classification schemes, such as the Standard Occupational Classification, NSF should encourage standardization of key questionnaire items and classification variables for science and engineering personnel across agencies (Recommendation 5.2).

A DATA SYSTEM FOR THE 1990s

From our review of the fundamental issues involving the system, in addition to the technical issues raised by NSF, we developed specific recommendations for the design of the NSF science and engineering personnel data system for the 1990s. Our design includes many elements that are similar to the current system but also reflects important conceptual and operational differences.

Priority Goals for the System

Currently, the primary goal of the NSF data system is to provide basic information on the characteristics of science and engineering personnel in order to support the planning processes of government, academic, and business institutions. In the 1990s, the data system should continue to serve this goal. Specifically, the system should support the preparation of regular profiles of the characteristics of scientists and engineers, including their numbers, employment patterns, qualifications, utilization, and demographics, and support the preparation of special analyses that illuminate specific policy issues and characteristics of science and engineering personnel in greater depth.

In the 1990s, the data system should also serve other important goals to which NSF does not currently accord high priority. Specifically, the system should provide a data base for improved analysis of relevant labor markets that can pinpoint trouble spots and provide early warnings of future problems and for basic innovative research on scientists and engineers and the science and engineering education pipeline. We believe that the research and analysis capability of the data base must be strengthened in order to maximize the return on the dollars invested in data collection (Recommendation 5.3).

Coverage and Content of the Data System

With regard to coverage of the science and engineering population, we argue that NSF should provide information about the full range of people who can be considered as part of the science and engineering supply. NSF should furnish information on the population of college graduates in science and engineering fields, not all of whom have related work experience. NSF should also furnish information on the population of employed scientists and engineers, not all of whom were trained in science and engineering fields. We urge NSF to discard the screening algorithm for defining the science and engineering population. Instead, NSF should employ standard occupational and degree field definitions. Within the framework of standard classification schemes, NSF should develop more richly detailed categorizations of subgroups of scientists and engineers (Recommendation 5.4). In addition, NSF should include other variables in the data system that give users the flexibility to define subpopulations to suit their own research interests and needs.

Generally, NSF should increase the research utility of the science and engineering personnel data base by enriching the content of its surveys. NSF should assign priority to new or modified content that will provide greater understanding of: (1) the kinds of work that scientists and engineers do and how their work is changing in response to changes in technology, organizational structure, and other factors; (2) the career paths that they follow and the factors that influence key transitions, including initial entry into the labor force, mobility across fields and sectors, and retirement; and (3) the productivity that they achieve and how their accomplishments relate to characteristics of their training, career moves, and work environment (Recommendation 5.5).

In order to accommodate these priority information needs in the most cost-effective manner, we encourage NSF to consider the survey system model in which some items are asked repeatedly and others are asked less frequently or only of particular subpopulations. In addition to mail surveys, NSF should be prepared on a small-scale basis to use other modes of data collection, such as telephone or personal interviewing, to obtain particularly detailed responses.

Basic Design Features

We devoted substantial attention to the design of the major surveys that NSF sponsors directly as part of the data system--the surveys that in the 1990s will be analogous to the 1982 Postcensal Survey, the Experienced Sample Survey, the New Entrants Surveys, and the Survey of Doctorate Recipients. We also considered ways for NSF to obtain additional information from other federal sources to evaluate and augment its own survey data. Our recommendations speak to the basic design features of the NSF surveys; the text discusses sampling strategies in detail both for the total population and for key subgroups of policy interest.

We recommend that NSF field a large Postcensal Survey in 1992 that provides in-depth coverage of college graduates with training or employment in science and engineering (Recommendation 5.6). The design that we propose, in order to avoid the statistical problems that were encountered in the 1982 Postcensal Survey, will provide a rich sample not only of the science and engineering population but also of other college graduates. We urge NSF to use these data for comparative studies and to enlist the support of other agencies for what should be a very useful and comprehensive survey of the U.S. college graduate population.

Over the course of the decade, NSF should conduct a Panel Survey that periodically tracks the science and engineering graduates identified in the Postcensal Survey together with new graduates who earn bachelor's and master's degrees in science and engineering each year during the decade. We also recommend that NSF track the employed scientists and engineers identified in the 1992 Postcensal Survey whose degrees were in other fields. Adding this group to the NSF Panel Survey will permit following the career paths of the cohort of graduates who were employed as scientists and engineers at the time of the 1992 Postcensal Survey (Recommendation 5.7).

The new graduates that the NSF Panel Survey will include based on college and university records represent a highly mobile population that can be difficult to trace. In order to improve response, we recommend that NSF annually query samples of seniors and master's candidates at institutions of higher education who are majoring in science or engineering to ascertain how to reach them after graduation. We note that the National Center for Education Statistics (NCES) also conducts surveys of recent college graduates. In the 1990s NCES plans to draw samples every three years of prospective and new graduates to follow up for a period of time after graduation. In order to conserve resources and reduce burden on higher education institutions, NSF and NCES should coordinate procedures for drawing samples of prospective college graduates. However, the two agencies should not combine their panel surveys of new graduates, which serve different purposes and focus on different fields of training. Key questionnaire items, such as occupation, should be comparable in order to permit each agency to evaluate and supplement its own data with data from the other agency (Recommendations 5.7 and 6.1).

NSF should also continue to support the ongoing Survey of Doctorate Recipients and employ it as the major source of information on science and engineering personnel trained to the doctoral level. The SDR should be modified in several ways, specifically, in the areas of coverage, survey scheduling, sample design, and wording of key questionnaire items, in order to improve comparability of the SDR data with other data in the NSF system (Recommendations 5.8 and 6.2).

Under this design, NSF's surveys will provide a rich set of information for large and analytically important components of the science and engineering population. The survey system itself will not provide updated information after 1992 on two significant groups of new entrants to the science and engineering pool during the decade--those graduates who enter science and engineering occupations from other academic fields and those graduates trained abroad who move to the United States. The survey system will also not provide information on scientists and engineers who lack a bachelor's degree. While recognizing the importance of information for these groups, we argue that it is simply not cost-effective for NSF to try to track them--very large samples of the U.S. labor force would be required in order to provide sufficient cases for analysis, given the small proportion who would turn out to be scientists and engineers.

To the extent possible during the decade, NSF should use other federal data sources to obtain information on components of the science and engineering population that are not covered in the NSF survey system and to evaluate NSF's survey-based estimates (Recommendation 5.9). Changes in the NSF surveys to conform to standard federal classification schemes should facilitate effective use by NSF of other agencies' data. Conversely, there are important changes in other federal surveys that would be very helpful in this regard. Because of the importance of degree field in defining the science and engineering population, we urge that a supplement be added to the Current Population Survey that asks respondents for major field of bachelor's and higher degrees. NSF should work for the adoption of this recommendation by the Bureau of Labor Statistics and the Census Bureau (Recommendation 5.10). We also support NSF's currently planned research program to construct estimates of immigration and emigration of scientists and engineers and develop ways of incorporating such estimates into the personnel data system (Recommendation 5.11).

We argue strongly that NSF needs to think of the data system as an integral whole in which all parts must work smoothly for success. In order to serve the information needs of the 1990s, we believe that the system must provide both basic information on science and engineering personnel and detailed information on topics and subgroups of key analytic and policy interest. The system must also include regular and imaginative use of other federal data sources for evaluation and supplementation purposes. The plan for the 1990s should be developed with the expectation that all of these elements will receive adequate funding and support (Recommendation 5.12).

Improving Survey Operations and Increasing Data Use

No matter how well designed, a data system is ultimately only as good as the care with which the design is implemented and the component surveys are operated. The experience of American industry in recent years attests to the need for devoting a continuing stream of resources to maintenance and improvement of production and distribution systems and to the cost-effectiveness of building quality assurance into every component of a system, rather than relying on post-hoc inspection and correction techniques. Similarly, we stress the importance of building quality into every step of NSF's survey operations from sample and questionnaire design through data preparation and dissemination.

We recommend that NSF construct a quality profile for its personnel surveys that will guide the development of an effective system to monitor and maintain data quality and suggest research to learn more about sources of error in the data. We urge NSF to take advantage of the experience of other federal statistical agencies with quality control programs and to keep abreast of techniques that federal agencies and private survey research centers use for improving quality, particularly of data from continuing panel surveys. We believe it is critical for NSF to devote a significant portion of its budget for the personnel data system each year to quality review and improvement activities. Should budget constraints arise that necessitate trade-offs for the system as a whole, NSF should choose options that minimize total error in the data, taking into account not only sampling variability but also nonsampling error from sources such as nonresponse. Finally, we urge NSF to adopt the best survey practice for its science and engineering personnel surveys in the following areas (many specific suggestions are cited in the text): questionnaire design and evaluation, procedures for obtaining high levels of response, both through initial contact and follow-up, and procedures for data preparation including developing appropriate weights, imputing missing values, and editing the data for consistency (Recommendations 7.1 through 7.6).

In order to maintain a first-rate survey operation, it is essential to invest in the survey staff. NSF should provide resources for staff training in survey methodology and for SRS staff to attend conferences, short courses, and other venues of continuing education. NSF should also provide resources for the staff to develop firsthand knowledge, through field visits and other means, of the wide range of scientists and engineers whose characteristics the personnel surveys are intended to measure. We believe that it is vitally important for NSF to make the personnel microdata accessible to the SRS staff and to provide resources for them to use the data for analytical studies, particularly those that relate to data quality and methodology, and to present their findings at professional meetings and in professional journals. It would be beneficial as well for NSF to include resources in its survey contracts for contractors to propose and carry out research related to understanding and improving data quality (Recommendations 7.7 through 7.9).

No matter how elegant the design and well-executed the operations, it is also the case that a data system is valuable only to the extent that the information is used. Although obvious, the point cannot be stressed enough that the existence of an active user community is essential to the continued health and viability of a data system. To nurture such a community, statistical agencies must put resources into active dissemination programs, striving to design data products that serve user needs, disseminate these products as widely as possible, and encourage use of the data by researchers and policy analysts. NSF has historically shown commendable concern for dissemination of its data to users. However, we argue that the agency needs to expand its efforts in this direction.

NSF should plan an extensive publication program for the personnel data, including periodic reports that furnish updated information on the characteristics of scientists and engineers and special reports that from time to time highlight topics and subgroups of particular interest. We encourage NSF to plan a particularly extensive publication program for the 1992 Postcensal Survey (Recommendation 8.1). This survey will be the first comprehensive look in a decade at the entire population of scientists and engineers, including persons either trained or working in science and engineering fields. The survey will also provide data for comparative analysis with other subgroups of the college graduate population.

From the continuing Panel Survey, we encourage NSF to publish profiles of college graduates with science and engineering degrees that separately identify important subgroups to permit users to apply a narrow or broad definition of the population as suits their needs. Two basic tabulation series would be useful, one that focuses on the current employment situation and other characteristics of people with degrees in particular science and engineering fields, and another that focuses on the educational background, work activities, and other characteristics of science and engineering graduates who are employed in particular science and engineering occupations. Publications about the cohort of employed scientists and engineers (including people trained in other fields) identified in the 1992 Postcensal Survey and about new graduates in science and engineering fields should also be produced (Recommendation 8.2). In determining the categorization of degree field, occupation, and other variables in NSF published tabulations, user needs for more information must be balanced against considerations of sampling error. NSF should set standards for the minimum size field for which estimates will be published based on the error properties of its surveys. Conversely, NSF should seek meaningful ways to provide additional detail for larger science and engineering fields (Recommendation 8.3).

In addition to publications, NSF should provide a variety of computer-readable products from the personnel data system. The spectrum of products should serve the needs of the entire user community, ranging from those users who require a few specific numbers to those users who are engaged in extensive analysis (Recommendation 8.4). For research purposes, we cannot stress too strongly the need for microdata files that permit in-depth and innovative analyses with the data. NSF should implement the recommendations that the Committee on National Statistics develops from its recent effort to seek ways to improve research access to the microdata from the Survey of Doctorate Recipients while protecting the confidentiality of individual replies (Recommendation 8.5).

For all of its data products, NSF should provide complete documentation, including a comprehensive user's guide to accompany microdata files. Data file documentation and technical notes included in publications should emphasize the nature and likely magnitude of the errors in the data (Recommendation 8.6). NSF should also actively publicize the availability of microdata files and other products from the personnel surveys and encourage and provide support to researchers for innovative studies of science and engineering personnel (Recommendations 8.7 and 8.8). In this regard, we urge NSF to establish a grants program to fund research projects that use the personnel microdata files. Finally, we recommend that NSF actively solicit feedback from its users on the design, content, and quality of the data system and on the content and format of data products. NSF should consider for this purpose establishing a user panel to provide input on a regular basis (Recommendation 8.9).

Implementing the New Design

Although the report provides specific design proposals for consideration by NSF, there is clearly still a great deal of work that needs to be accomplished before final decisions are reached on the scope of the personnel data system for the 1990s. We urge NSF to establish immediately a process for reaching those decisions and for informing the user community of the impending changes in the system. The process should include carrying out priority research and analysis projects whose results are needed to inform the design; establishing a group of technical experts to assist NSF staff in reaching final design decisions and monitoring the operation of the system in the 1990s; and communicating with users to obtain their input and prepare them to take full advantage of the data in the decade ahead (Recommendation 6.3).

Although we believe that our proposed redesign of the NSF personnel data system offers many advantages, we recognize fully that the design, like all designs, reflects trade-offs and hard choices among objectives, not all of which can be achieved. We also recognize that unanticipated problems may arise with the design upon implementation. Toward the end of the 1990s, NSF should conduct a thorough, zero-based evaluation to determine what changes should be made to the system in the next decade. The evaluation should include a review of the goals of the system and the extent to which the data content is serving those goals (Recommendation 6.4). In this way, NSF will continue its tradition of review and evaluation devoted to improving the usefulness of its information on scientists and engineers.

Resource Requirements for the System in the 1990s

It seems clear that the improvements we recommend for the 1990s will result in increasing the unit or per-case costs of the data system. We are alert to the need to avoid unnecessary costs in the operation of the system and to make the most effective use of budget and staff resources. Our detailed recommendations for the design and operation of the system take account of cost considerations. In particular, we urge NSF to follow a conservative approach in allocating resources to increased sample size that may be needed for reliable estimates of small subgroups of the population. We argue that it is not cost-effective for NSF to try to provide estimates for every small subgroup of scientists and engineers that appears to have policy interest.

Nonetheless, we are convinced that NSF must be prepared to allocate additional resources to the personnel data system to provide the coverage, content, and data quality that the user community, including NSF itself, requires. We urge NSF, along with the policy and research communities, to recognize the benefits of making a fresh start, through implementing the substantive and operational changes that we recommend. We believe that the resulting data system will provide a rich storehouse of information for improved research and policy analysis and for more effective planning by government, academia, and business. The system should prove a valuable tool to help the nation grapple with issues concerning its science and engineering resources in the coming decade. We call on the National Science Foundation to accord high priority to implementation of the recommendations in this report.

Mr. **Martinez.** Thank you again, Dr. Berryman. If there are no objections to the submittal of that testimony, so ordered.

Our next witness is Dr. Vijaya L. Melnick, Director of the Center of Applied Research and Urban Policy of the University of the District of Columbia.

Ms. **Melnick.** Mr. Chairman and members of the committee, it is my distinct privilege to appear before you and to offer comments on the issues related to Workforce 2000. Even though my appearance today is as a public citizen, I have drawn heavily from my professional and personal experience in providing this testimony which includes being a professor of biology and director of research centers, as well as serving as a visiting scientist in several national research laboratories.

However, most pertinent to this hearing is the experience I bring from my work as a faculty member at the University of the District of Columbia. As you know, Mr. Chairman, the students we serve come largely from minority and economically disadvantaged backgrounds.

They have demonstrated to me in the most incontrovertible fashion that given the right direction, stimulus and opportunity, they are capable of competing with the best and the brightest anywhere.

My duties at the university have included advising and preparing students for graduate and professional education and we now have scientists, physicians and lawyers and dentists, veterinarians and others who have gone on. These are all first generation college students and have performed in a stellar fashion in their professions.

The students have gone to all the major universities in the country including Stanford, Harvard, the University of Pittsburgh, Carnegie Mellon, et cetera. It is this deep belief, brought about by a demonstration on the part of my students, who show that given an opportunity, they can rise to any challenge, that gives me the confidence, the energy and the courage, to say to you, Mr. Chairman, that America will do well now and in the future if we make sure to invest in our most valuable resource, our people.

We have a tendency to concentrate on the negative, but I think that if we put the right investment, we are capable of making the best of what we have, and that is our people.

The global leadership, power and prosperity that America has enjoyed in the past and hopes to continue into the future will largely depend upon how successful we are in reordering our national investment strategies and priorities.

National security is indeed a high priority but how we assure that will depend on the way we decide what the major ingredients are that contribute to make a nation secure. America has an enviable position among the great nations of the world.

It stands almost alone in that it cannot be defined in terms of religion, race, language, ethnic origin or ancestry. Instead, we define ourselves by the vision we call the American dream, the dream that welcomes all who share its ideals to participate and to prosper.

For many, that dream is not yet a reality. We must therefore strive for opportunities to make it possible for all. The way we do that will be shaped by the profound demographic and economic changes we have experienced over the last two decades.

The technological arena has forced changes in the workplace requirement. Modern technological society and the workplace need people with solid reading and math capabilities. Computers have become commonplace and automation has changed employment patterns. New jobs require higher skills and educational qualifications.

More than ever, we have become part of the global economy. Changes occurring on far away shores have had a direct effect on the American wage earner. These changes will continue to have an ever increasing effect on the political, social and economic future of this country—indeed, its very survival.

In my written testimony, I examine in some detail the changes in the demographic trends and what it means to our future. In brief, women, nonwhites and immigrants will make up more than five-sixths of the new entrants to the workforce between now and the year 2000. Today, they make up only half of that workforce.

The most challenging task before us is to appropriately educate and train young workforce entrants to meet future demands. Current workers will also have to be retrained. Estimates are that in the next 12 years, 21 million new workers and thirty million current workers will have to be trained or retrained.

In 1986, for example, there were less than ten percent black and Hispanic natural scientists. Between now and the year 2000, the percentage of change of demand for this area is projected to be 46 percent.

Most minority workers are stuck in occupations with no growth prospects or jobs projected to disappear. Let us look at demographics in another way. A child born in 1981 will be a college freshman in the year 2000. The question we have to ask is: Will these children be ready for college? What do we know about these children?

We know that one in four lives in poverty. One in eight is identified as having a physical or emotional handicap. One in twelve does not speak much English and that proportion might get higher. One in two will spend at least part of his life in a one-parent home. One in three is black, Hispanic, Asian or Native American and only one in three is a white, non-Hispanic male.

Let me focus for what time I have on the specific problem of science and engineering, since most of the projected job growth areas will demand these backgrounds. Blacks account for 12 percent of the American population but only two percent of all employed scientists and engineers are black.

They earn four percent of the baccalaureates and one percent of the Ph.D.s in science and engineering. In 1986, for example, only 89 blacks who were U.S. citizens earned their Ph.D.s in science and 14 in engineering.

Hispanics comprise nine percent of the U.S. population and is the fastest growing minority group. They account for two percent of all employed scientists and engineers. They hold two percent of the bachelor's degrees and one percent of the Ph.D.s in science and engineering.

The statistics on American Indians are even more dismal. Women, who account for 51 percent of the total U.S. population and 45 percent of the nation's workforce, comprise eleven percent of all employed scientists and engineers.

A major reason that blacks and Hispanics give for not pursuing higher education is lack of financial support. In addition, performance on standardized tests, low college grades, institutional requirement practices, and improper counseling also have an impact on their access to and retention in higher education.

At the master's degree level, blacks chose quantitatively based majors at roughly two-fifths of the national average. Whites and Native Americans at national average, Hispanics about four-fifths of the national average and Asian Americans, approximately twice the national average.

At the doctoral level, only thirty percent of the Ph.D.s earned by U.S. citizens were in quantitatively based fields. In this case, whites earned Ph.D.s at equal the national average, Asian Americans at twice the national average, Hispanics and Native Americans at two-thirds, and blacks at one-third of the national average.

A major problem confronting this nation and more acutely minorities, is that most of the graduate degrees that are earned are in disciplines that are related to low growth rather than high growth industries.

If we are to preserve the competitive edge of the United States in the world economy, we must make major steps to improve and enhance our scientific and technological talent pool, which means that we have to increase those students going on into the quantitative sciences.

Especially acute is the under representation of women and minorities in these areas. In light of the demographic data that these groups will account for the majority of the future workforce, it is imperative that we develop a national strategy to attract, involve and develop this potential human resource.

It is not a matter of affirmative action, but rather, it must be seen as an action for the nation's survival. It is exactly for this reason that these hearings and the initiatives taken by you, Mr. Chairman, along with other members, becomes so very crucial.

The Congress of the United States must take the leadership in making sure that the American dream is within the reach of all our citizens. The only way we can achieve that is by ensuring that we have a competent and educated workforce, a job market that is not only competitive but fair.

A system must be put into place to monitor and collect the data on the marketplace changes and make it available to all concerned.

Mr. Chairman, I commend the bill, the Workforce 2000 Employment Readiness Act of 1989 introduced under your august and astute leadership, for it provides the kind of comprehensive approach that combines preparedness through quality education, fairness in employment and needed improvement in monitoring workforce changes and providing timely action.

The bill squarely meets the challenge of developing the untapped and unactualized human potential, particularly among women and minorities, and provides this nation with the needed resources to stay competitive in the world economy.

In summary, Mr. Chairman, the investment we make in our children so that they will be healthy, well educated and motivated to become the leaders of tomorrow, is an investment that this nation cannot afford not to make.

The neglected investment in developing the untapped minority pool so that they can fully contribute towards building this nation is an investment we can ill afford to ignore. The investment in women, who will become a major sector of tomorrow's workforce, by providing them with the needed support and opportunities to become full partners in tomorrow's economy, is an investment which has no viable alternative.

These investments will no doubt be costly, but not to make them will be far costlier. Let us hope that these hearings, above all else, shall serve to further the cause of our democratic ideals upon which rests the security and well being of this nation.

Let these initiatives demonstrate to the world that we are proud of the rich and colorful threads that weave the enduring and dynamic tapestries of our society, for these provocative patterns portray our combined resolve and strength to overcome all threats that challenge our national fabric.

Taking needed action, as you have, is our passport into the 21st century. It will be our affirmation to preserve our strength, creativity and leadership. Only that will prepare us as a nation to take on the challenges that lie before us and carry the promise of the American dream into the 21st century.

Thank you, Mr. Chairman.

[The prepared statement of Dr. Vijaya L. Melnick follows:]

TESTIMONY BEFORE

THE COMMITTEE ON EDUCATION AND LABOR

OF THE

U.S. HOUSE OF REPRESENTATIVES

ON

JUNE 14, 1989

by

Dr. Vijaya L. Melnick

Professor of Biology

and Director
Center for Applied Research and Urban Policy

The University of the District of Columbia
Washington, D. C.

Mr. Chairman and members of the Committee, it is my distinct privilege to appear before you and to offer my comments on the issues related to "Workforce 2000" and what we as a nation must do to prepare ourselves for the 21st Century. I thank you for this opportunity.

My name is Vijaya Melnick and even though my appearance today is as a public citizen I have drawn heavily from my professional and personal experience in providing this testimony. My experience includes being a professor of biology, director of an applied research center, associate director of an immunology center at a medical school, a scientific investigator, vice chair of the NAFEO science and technology advisory committee, visiting scientist at the Oak Ridge National Laboratory and the Lawrence Livermore Laboratory of the University of California, member of the Muskie Commission that has had a long standing interest in child health and development at an international level, and serving as a special assistant for policy and bioethics at the National Institutes of Health.

However, most pertinent to these hearings is the experience I bring from my work, as a faculty member, at the University of the District of Columbia (UDC).

As you very well know Mr. Chairman, UDC is the public urban land grant university of the District of Columbia. The students we serve come from minority and often economically disadvantaged backgrounds.

My work at UDC, over the last several years, has been most fulfilling because it has demonstrated to me in the most incontrovertible fashion, that given the right direction, stimulus and opportunity our students are capable of competing, with the best and the brightest, anywhere. Among my duties at the University are that of advising and preparing premedical sciences students. And I can now boast that we have over fifty, first generation, college graduates who have gone on to become scientists, physicians, lawyers, dentists, veterinarians and other professionals. Last year for example, one of my student research assistants was accepted to Stanford Graduate School with full scholarship to do a doctorate in neurobiology. Another went to Carnegie-Mellon and University of Pittsburgh with full scholarship to do a combined program of Ph.D. in economics and J.D. Our alumni are spread far and wide. The head of the Dental Services for the U.S. Army base in Stuttgartt, for example, is one of our alumnus. Another is conducting fundamental AIDS research at the National Cancer Institute. The list goes on. It is this deep belief brought about by a demonstration on the part of my students who showed that, given an opportunity, they can rise to any challenge, that gives me the confidence, the energy and the courage to say to you Mr. Chairman that America will do well now and in the future if we make sure to invest in our most valuable resource - our people.

Today we stand in the twilight of the 20th Century and at the threshold of the 21st Century. It is a crucial time for taking stock and to prepare for the future. How we do it will decide, what we want for this nation and, where its place will be among the world community of nations.

A number of reports have already appeared, projecting the future and predicting a range of consequences, depending upon how we respond to the winds of change that are sweeping this nation.

Scholars and crystal gazers alike warn us that if we, as a nation, do not want to commence our "ride into the sunset," along with that of the 20th Century, then we have some serious thinking and work ahead of us. Fundamental change is required in the way we look at ourselves, in the way we plan to compete in the new economy, in the way we plan to preserve and invest in our resources, most significantly and relevant to this discussion, in our most valuable asset - the human capital.

The global leadership, power and prosperity that America has enjoyed in the past and hopes to continue into the future will largely depend upon how successful we are in reordering our national investment strategies and priorities. National security is indeed a high priority - but how we assure that will depend upon the way we decide what the major ingredients are, that contribute to make a nation secure. One thing we do know - we will not get there by being the best "defended" slum on earth.

America has an enviable position among the great nations of the world - it stands almost alone in that it cannot be defined in terms of religion, race, language, ethnic origin or ancestry. Instead we define ourselves by the vision, that is spoken of as, the "American Dream" - a dream that welcomes all who share its ideals to participate and to prosper.

We must treasure that ideal. We know that for many that dream is not yet a reality. We must therefore strive for opportunities to make it possible for all. We must hold this nation to its promise and to its destiny.

It is against this backdrop that we must examine the demographic imperative in America's role in the 21st century. The United States has been experiencing profound demographic and economic changes over the last two decades.

As the baby boom generation reached maturity more women entered the work force. During the same time there was a large influx of immigrants into the United States - most of them from Latin American and South East Asian countries. During this time, we experienced an increase in foreign trade, followed by a large trade deficit. We saw more and more foreign manufactured goods entering the U.S. triggering in turn, the demise of industries at home that manufactured similar goods.

Computers became common place and automation changed employment patterns. New jobs required higher skills and educational qualifications. More than ever, we became part of the global economy. Changes occurring on far away shores have had a direct effect on the American wage earner.

These changes are so profound that they have begun to assert, and will continue to have, an ever increasing effect on the political , social and economic future of this country including, its very survival.

Let us examine, in some detail, the changes in the demographic trends and what it means to our future.

At the end of World War II White men constituted almost two thirds of the labor force. They comprised over one half of the labor force up until the early 1980's. Beyond the obvious advantage accrued to them by their overwhelming numbers in the work force, White men also had the greatest freedom to pursue educational and job opportunities during the post-war era.

Latest available statistics show that in 1985 the labor force was comprised of the following:

47% - U.S. born White male
36% - " " " female
5% - U.S. born non White male
5% - " " " female
4% - immigrant male
3% - " female

But if we look at new entrants to the labor force between 1985 - 2000 we find, that is projected to be:

15% - U.S. born White male
42% - " " " female
7% - U.S. born non White male
13% - " " " female
13% - immigrant male
10% - " female

These demographic changes indicate that the new workers entering the work force between now and the year 2000 will be very different from those reflected in today's work force.

In other words, this means that women, non Whites and immigrants will make up more than 5/6 of the new entrants to the work force between now and the year 2000. Today they make up only half of the work force.

According to the Bureau of Labor Statistics, job growth is projected to occur in sectors that require specific skills. The modern technological society and the work place need people with solid reading and math capabilities.

The Labor Department has devised a method for measuring on a scale of 1 to 6 the levels of reading, writing and vocabulary needed to perform a wide range of jobs. The Hudson Institute, a conservative think tank, matched the new jobs that the economy will create against these scales. They found that new workers with limited verbal and writing skills (Levels 1 and 2) will be able to compete for less than 40% of the new jobs.

Most new jobs will require solid reading and writing skills. In retail sales, for example, the employees will have to write up orders, compute price lists and read catalogs. But only 22% of the new workers, it is estimated, will be able to function at this level.

Level 4 and above, will require more than a high school education, ability to read journals/manuals, write reports and understand specialized terminology. Examples range from nursing to management jobs. Only 5% of new employees will be able to do this.

The most challenging task before us is to appropriately educate and train the young work force entrants. To meet future demands, current workers would also have to be retrained. Estimates are that in the next 12 years 21 million new workers, and 30 million current workers, would have to be trained or retrained.

Coupled with this is the decline of the number of 21 - 25 year olds. Larger proportion of the new workers will be immigrants and minorities who currently have less education and fewer skills. Very few, among these groups, currently hold jobs in the growth industries. For example, in 1986 there were less than 10% Black and Hispanic natural scientists. Between now and the year 2000 the percent change in demand for this area, according to the Hudson Institute, will be 46%.

Blacks/Hispanics	**1986**	**% Change in Demand (Hudson Inst. Estimates) 1985 - 2000**
Natural Scientists	10%	46%
Technicians	11%	38%
Engineers/Architects	7%	32%
Marketing/Sales	10%	30%

Most minority workers are stuck in occupations with no growth, or those projected to disappear, e.g. assemblers, machine operators, laborers etc.

Let us look at this in another way. A child born in 1981 will be a college freshman in the year 2000. The question we have to ask is, will these children be ready for college? What do we know about these children? We know that:

1 in 4 live in poverty

1 in 8 is identified as having a physical or emotional handicap

1 in 12 does not speak much english and that proportion might get higher.

1 in 2 will spend at least part of their life in a one parent home.

1 in 3 is Black, Hispanic, Asian or native American

and only, 1 in 3 is a White non Hispanic male.

People over the age of 85 constitute the fastest growing group of Americans. In 1900 the U.S. had 8 children for every elderly person, today it is down to two to one.

A society that has 8 children per elderly person compared to 2 children/elderly person makes a big difference, especially in how the tax revenues are spent for its educational system and other public services. Remember, older people vote and children don't.

Minorities constitute the majority of school enrollments in the nations 25 largest cities. In 1988 the overall school population was about 30% minority and 70% White. By the year 2020 the most conservative estimate is that it will be about 53% White and 47% minority.

Let us now focus specifically on science and engineering since most of the projected "job growth areas" will demand this background. Blacks account for 12% of the American population but only 2% of all employed scientists and engineers are Black. They earn 4% of the Baccalaureates and 1% of the Ph.D.s in science and engineering. In 1986, for example, only 89 Blacks who are U.S. citizens earned the Ph.D. in science and 14 in engineering.

Hispanics comprise 9% of the U.S. population and is the fastest growing minority group. They account for 2% of all employed scientists and engineers. They hold 2% of the Bachelors degrees and 1% of the Ph.D.s in science and engineering.

American Indians make up 0.6% of the U.S. population and 0.7% of all employed scientists and engineers. They hold 0.3% of all bachelors degrees and 0.16% of all Ph.D.s in science and engineering.

Women are now 51% of the total U.S. population and 45% of the nation's work force. They comprise 11% of all employed scientists and engineers. In 1986, they earned 30% of all bachelors degrees in science and engineering, 34% of the Ph.D.s in life sciences, 16% of the Ph.D.s in physical sciences and 7% in engineering.

The Federal government is the leader in the nation's research and development enterprise. "The Task Force on Women, Minorities and the Handicapped in Science and Technology" found in its report of 1988 that, "Federal agencies have neither recognized nor begun to address the demographic issues that will affect the conduct of research and development in the 21st century. Until now the role of minorities, women and people with disabilities in science and technology has been widely seen only as an equity issue, not as the key to future national security and economic competitiveness."

The task force found that only one Federal Agency, the National Science Foundation, which represents 3% of the 1987 total Federal Research and Development Budget - ($60 Billion) keeps data to monitor the demographic characteristics of those who receive its grants. These statistics show that in 1987, 93% of all NSF dollars were awarded to men and 6% to women. It also showed that 88% of all NSF dollars went to Whites, 0.7 to Blacks, 0.8 to Hispanics, 4% to Asian-Americans, 0.1% to American Indians and 6% to others (most of these 6% are probably White).

In a report on success of Blacks and Hispanics in the United States Graduate and Professional Education, Thomas (1986) pointed out that a major reason that Blacks and Hispanics give for not pursuing higher education is lack of financial support. In addition, performance on standardized tests, lower college grades, institutional recruitment practices, and improper counselling also have an impact on the access and retention of minorities in graduate and professional education. When participation of minorities in science and engineering disciplines are examined, the numbers are even more dismal. Berryman (1985) pointed out that at the Master's degree level Blacks chose quantitatively based majors at roughly 2/5 of the national average; Whites and Native Americans at national average; Hispanics at about 4/5 and Asian Americans at approximately twice the national average. This correlates with the data that approximately 50% of the Asian Americans earned their Master's degree in Engineering, Blacks and Hispanics earned most of their Master's degrees in Social Science and Psychology, and native Americans in Life Sciences or Psychology (NSF 1988).

At the doctoral level only 30% of the Ph.D.s earned by U.S. citizens were in quantitatively based fields. In this case, Whites earned Ph.D.s at equal the national average; Asian Americans at twice the national average; Hispanics and Native Americans at 2/3, and Blacks 1/3 the national average.

It is estimated that even to achieve parity with Whites (which record is not all that good) in science, the percentage of Black doctorates would have to increase tenfold.

What this indicates is that a major problem confronting the nation, and more acutely minorities, is that most of the graduate degrees that are earned are in disciplines that are related to "low growth" rather than "high growth" industries.

Let us now examine some of the special concerns that pertain to women entering the work force. Today 50% of all married women with infants are in the work force. This is over a 100% increase since 1970. 54% of all married women with children under 6 are in the work force. An increase of over 80% since 1970. In 1985, 68% of female single parents worked.

Child care costs now consume 10% of the average family's income and 20% of the incomes of poor families. Estimated annual child care expenditures by U. S. families are about $11.5 billion.

In 1995, 75% of all children will have mothers in the work force. 4 out of 5 children, between the ages of 7 and 18 are expected to have working mothers. In 1985, nearly half of the uninsured children 18, or under, lived in single parent, usually female headed, families.

If we are to preserve the competitive edge of the United States in the world economy, we must take major steps to improve and enhance our scientific and technological talent pool. Current trends in education show a decline of majors in the quantitative sciences. All labor force projections indicate that basic knowledge in science and mathematics will be a requirement for the work force of tomorrow.

Especially acute is the under representation of women and minorities in science and engineering. In light of the demographic data that these groups will account for majority of the future work force, it is imperative that we develop national strategies to attract, involve and develop this potential human resource. Encouraging women and minorities to participate in science and engineering can no longer be regarded as a matter of affirmative action, but it must be seen as an action for national survival.

White males are a rapidly decreasing proportion of our population and therefore cannot shoulder the responsibilities in the work force to the degree that they did in the past. Women and minorities must be prepared to move in and take their rightful place, they must work shoulder to shoulder, along with others, to keep this nation flourishing and in the fore front of world economy.

This nation cannot hope to achieve economic growth or maintain the competitive edge in the world market without reexamining and strengthening the country's educational system. As noted in a recent report on Federalism and Education (1989), issued by the Education Commission of the States and the Institute for Educational Leadership, "The United States is dangerously close to becoming a divided, if not polarized, society. Demographic and economic changes have overwhelmed the ability of current structures to cope. Education divides those who will have opportunities from those who will not... Americans want a better education for their children and youth, but there is no general national recognition of the stakes facing society, of the effort needed or of the heightened talents that must be encouraged in all students."

It is exactly for this reason that these Hearings, and the initiatives taken by you Mr. Chairman, along with other members, become so very crucial. The Congress of the United States must take the leadership in making sure that the American dream is for all our citizens. The only way we can achieve that is by insuring that we have:

* a competent and educated work force

* a job market that is not only competitive but fair (because to attract the best and the brightest from every milieu into the work force an assurance of fairness and belief in that process becomes an imperative)

* a system to monitor and collect the data on the market place changes and requirements and make it available to all concerned so that informed and appropriate decisions can be made.

For this reason, Mr. Chairman, I commend the bill "Workforce 2000 Employment Readiness Act of 1989" introduced under your august and astute leadership. For it provides the kind of comprehensive approach that combines

* preparedness through quality education
* fairness in employment, and
* a needed improvement on monitoring changes and providing timely information.

In summary, the investment we make in our children so that they will be healthy, well educated and motivated to become the leaders of tomorrow - is an investment that this nation cannot afford not to make.

The neglect of investment in developing the untapped minority pool, so that they can fully contribute towards building this nation, is an investment we can ill afford.

The investment in women who will become a major sector of tomorrow's work force by providing them with needed support and opportunities to become full partners in tomorrow's economy is an investment which has no viable alternative.

These investments will no doubt be costly - but not to make them will be far costlier for the nation and its citizens.

The problems before us are indeed serious and complex. But we as a nation have always risen to the occasion when national security and national survival are at stake. What we face is nothing less.

Taking needed action is our passport into the 21st century. It will be our affirmation to preserve our strength, creativity and leadership. Only that will prepare us, as a nation, to take on the challenges that lie before us and carry the promise of the American dream into the 21st century.

Chairman **Hawkins**. Thank you, Dr. Melnick.

The next witness on the panel is Dr. William B. Johnston, Project Director, the Hudson Institute. We welcome you, Mr. Johnston.

Mr. **Johnston**. Thank you, Mr. Chairman. I would like to just use the brief time this morning to extend my remarks in two areas. A number of questions were asked this morning concerning what is the Federal role in this vast education system that we all recognize needs change.

I want to suggest two things that seem to me to be fundamentally important. The first one concerns the point that Bill Brock made about measurement. I think that we cannot have a system based on choice.

We would be unwise to invest any substantial amount of new resources in this system if we cannot agree on a system for measuring its outputs, particularly the way it is preparing people for work.

What I am specifically suggesting is that I think we need to move toward some sort of universally administered national test which judges readiness for work. I recognize that there are tremendous political difficulties in developing such a test, in having it administered across the country.

But, I think if we do not have such a standard, if we continue simply to have this array of teaching styles and array of outcomes, if we cannot agree on one set of economic outcomes that we want this system to produce, then we cannot realistically expect gradually to improve that system.

The adage in business is: What gets measured gets done. I think that adage has to be applied to the education system as it relates to preparation for work.

Obviously, of course, there are many other things that the school systems are responsible for in addition to this one, but this is the thing that matters in terms of our competitiveness. This is the area in which we fall down.

Many of the questions of standards are subtle ones. It is not simply multiple choice, ability to answer math questions, to par sentences. It is the ability to communicate. It is the ability to solve problems, which every survey of employers rates very highly.

I believe the Federal Government has the responsibility for developing such a test and for encouraging its distribution across the country and its use.

The second point that I would like to make concerns extending the reach of education outside of the formal education system. Again, Secretary Brock made the point that 75 to 85 percent of all the people who are going to be working in the year 2000 are in the workplace today.

Many of those, as we have recently found, lack basic skills to adapt to new jobs, cannot adapt to new technologies as they are employed in the workplace and are performing less than adequately in their existing jobs, much less advancing within their organizations.

We need to develop a set of mechanisms for the constant investment in those workers. Many of them work for small employers who are ill equipped to provide consistent training programs, substantial educational opportunities, that are sometimes available in larger corporations.

I think there is a role here for the development, in particular, of a set of "course-wear." I use that term by way of introducing it for explanation that as we have the potential, the uses of technology today, to develop courses that enable students to learn at work, to learn at home, to employ the technologies that range from computers to interactive video discs.

We have those technologies. We have not yet invested in the development of software that makes those technologies truly available across the country.

This is an area in which a relatively small number of Federal dollars could create an enormous wave of potential productivity enhancing and education enhancing software available to people in the workplace, in the home and in many other avenues that they could choose.

So, those are the two extensions of my remarks. I will be happy to answer any questions that relate to my printed remarks or these.

Thank you.

[The prepared statement of Dr. William B. Johnston follows:]

Statement By

William B. Johnston

Before the Committee on Education and Labor

of the U.S. House of Representatives

June 15, 1989

WORKFORCE 2000

THE OPPORTUNITIES FOR THE FUTURE

MR. CHAIRMAN. It is a pleasure and an honor to appear before you and the Committee this morning, to discuss the issues raised by the Workforce 2000 report. This hearing underscores an important point about the study: while it was focused on future trends, many of these demographic and economic realities are already here. The policy choices implied by some of these trends are high priorities for this Congress as well as for future policymakers.

One of the most important findings of the Workforce 2000 study concerns the potential mismatch between the workers who are entering the labor force and the jobs that are being created in our economy. Let me summarize the most important facts concerning this mismatch.

To begin with the demographics, five trends will be most important:

o The population and the workforce will grow more slowly than at any time since the 1930s: Population growth, which was climbing at almost 1.9 percent per year in the 1950s, will slump to only 0.7 percent per year by 2000; the labor force, which exploded by 2.9 percent per year in the 1970s, will be expanding by only 1 percent annually in the 1990s. These slow growth rates will tend to limit the rate at which the economy can expand, and may also tighten labor markets and force employers to use more capital-intensive production systems.

o The average age of the population and the workforce will rise, and the pool of young workers entering the labor market will shrink: As the baby boom ages, and the baby bust enters the workforce, the average age of the workforce will climb from 36 today to 39 by the year 2000. The number of young workers age 16-24 will drop by almost 2 million, or 8 percent. This decline in young people in the labor force will have both positive and negative impacts. On the one hand, the older workforce will be more experienced, stable, and reliable. The reverse side of this stability will be a lower level of adaptability. Older workers, for example, are less likely to move, to change occupations, or to undertake retraining than younger ones. Companies that have grown by adding large numbers of flexible, lower-paid young workers will find such workers in short supply in the 1990s.

o More women will enter the workforce: Almost two-thirds of the new entrants into the workforce between now and the year 2000 will be women, and 61 percent of all women of working age are expected to have jobs by the year 2000. Women will still be concentrated in jobs that pay less than men's jobs, but they will be rapidly entering many higher-paying professional and technical fields. In response to the continued feminization of work, demands for day care and for more time off from work for pregnancy leave and child-rearing duties will certainly increase, as will interest in part-time, flexible, and stay-at-home jobs.

- Minorities will be a larger share of new entrants into the labor force: Non-whites will make up 29 percent of the new entrants into the labor force between now and the year 2000, twice their current share of the workforce. Although this large share of a more slowly growing workforce might be expected to improve the opportunities for these workers, the limited educational preparation of many minorities from urban areas may limit their opportunities.
- Immigrants will represent the largest share of the increase in the population and the workforce since the first World War: Even with the new immigration law, approximately 600,000 legal and illegal immigrants are projected to enter the United States annually throughout the balance of the century. Two-thirds or more of immigrants of working age are likely to join the labor force. In the South and West where these workers are concentrated, they are likely to reshape local economies dramatically, promoting faster economic growth and looser labor markets.

In combination, these demographic changes will mean that the new workers entering the workforce between now and the year 2000 will be much different from those who people it today. Non-whites, women, and immigrants will make up more than five-sixths of the net additions to the workforce between now and the year 2000, though they make up only about half of it today:

	1985 Labor Force	Net New Workers, 1985-2000
Total	115,461,000	25,000,000
Native White Men	47%	15%
Native White Women	36%	42%
Native Non-white Men	5%	7%
Native Non-white Women	5%	13%
Immigrant Men	4%	13%
Immigrant Women	3%	9%

Source: Hudson Institute

Juxtaposed with these changes in the composition of the workforce will be rapid changes in the nature of the job market. The fastest growing jobs will be in professional, technical, and sales fields requiring the highest education and skill levels. Of the fastest growing job categories, all but one, service occupations, require more than the median level of education for all jobs. Of those growing more slowly than average, not one requires more than the median education. (See Table 1)

Ranking jobs according to skills, rather than education, illustrates the rising requirements even more dramatically. When jobs are given numerical ratings according to the math, language, and reasoning skills they require, only twenty seven percent of all new jobs fall into the lowest two skill categories, while 40 percent of current jobs require these limited skills. By contrast, 41 percent of new jobs are in the three highest skill groups, compared to only 24 percent of current jobs. (See Table 2)

Table 1

The Fastest Growing Jobs Require the Most Education

Fast Growing Jobs (Ranked By Growth Rate)		Slowly Growing Or Declining (Ranked By Growth Rate)	
Occupation	Median Education	Occupation	Median Education
Lawyers	18+	Mechanics/Repairers	12.5
Natural Scientists	16.8	Administrative	12.8
Health-Diagnosing	18.1	Construction	12.5
Technicians	14.3	Transport	12.4
Other Professionals	16.4	Plant and System Workers	N.A
Engineers	16.5	Laborers, Helpers	12.2
Social Scientists	N.A.	Precision Production	12.5
Writers/Artists	N.A.	Blue Collar Supervisors	N.A.
Marketing and Sales	12.9	Hand Workers	12.5
Management	14.9	Machine Setter/Operatives	12.3
Services	12.4	Farmers	12.3
Teachers	17.2	Miners	N.A.
All Fast Growing Jobs	14.3	All Slow Growing Jobs	12.6

Source: U.S. Bureau of the Census, Current Population Survey, March, 1985; Hudson Institute Projections.

Table 2

FAST GROWING JOBS REQUIRE MORE LANGUAGE, MATH, AND REASONING SKILLS

	Current Jobs	Fast Growing	Slowly Growing	Declining
GED Language	3.1	3.8	2.7	1.9
GED Math	2.6	3.1	2.3	1.6
GED Reasoning	3.5	4.2	3.2	2.6

Source: Hudson Institute

The Implications of the Changing Occupational Structure

This rapid increase in the skills required for new jobs in the economy must be put in the context of the competence of the new workers entering the workforce. The evidence suggests that many millions of these new workers lack even the basic skills essential for employment. For example, the recent National Assessment of Educational Progress undertaken by the U.S. Department of Education (NAEP) found that among 21-25 year olds:

-- only about three-fifths of whites, two-fifths of Hispanics, and a quarter of blacks could locate information in a news article or an almanac;

-- only a quarter of whites, 7 percent of Hispanics, and 3 percent of blacks could decipher a bus schedule;

-- only 44 percent of whites, 20 percent of Hispanics, and 8 percent of blacks could correctly determine the change they were due from the purchase of a two-item restaurant meal.

The forces that are shaping the U.S. economy will make it increasingly difficult for young Americans such as these to succeed in the job market. In particular, as change accelerates and more training is needed, many workers will need advanced skills simply to give them access to useful job training. For example, assembly line workers in many manufacturing plants are learning statistical process control, a system that is beyond the reach of those without a solid grounding in mathematics.

As the U.S. economy becomes increasingly integrated with the world economy, the ability of the U.S. government or American unions to insulate workers without skills from competition with unskilled workers in other countries will decline. A decade ago, it was possible to pay unskilled janitors in automobile plants $12 per hour, because they worked in unionized, high productivity plants in a wealthy economy. The economy of the future will not produce or sustain such high-wage, low-skill jobs.

During the 1989-2000 period, the good fortune to be born in or to immigrate to the United States will make less difference than the luck or initiative to be well-educated and well-trained. For individuals, the good jobs of the future will belong to those who have skills that enable them to be productive in a high-skill, service economy. For the nation, the success with which the workforce is prepared for high-skilled jobs will be an essential ingredient in maintaining a high-productivity, high-wage economy.

The changes ahead in the job market will affect different groups in the society in different ways. While young whites may find their jobs prospects improving, for black men and Hispanics the job market will be particularly difficult. In contrast to their rising share of the new entrants into the labor force, black men will hold a declining fraction of all jobs if they simply retain existing shares of various occupations. Black women, on the other hand, will hold a rising fraction of all jobs, but this increase will be less than needed to offset their growing share of the workforce. (See Table 3)

Table 3

BLACK MEN AND HISPANICS FACE THE GREATEST DIFFICULTIES IN THE EMERGING JOB MARKET

Group	Share of Current Jobs	Implied Share of New Jobs (1985-2000)	Share of Labor Force Growth
Total	107,160,000	23,770,000	25,400,000
Women	45.0%	50.5%	64.1%
Blacks	9.9%	9.5%	19.7%
Black Men	4.9%	3.8%	7.7%
Black Women	5.1%	5.6%	12.0%
Hispanics	6.4%	5.0%	22.0%
Ages 16-24	19.1%	17.9%	-9.6%
25-44	51.6%	53.0%	44.8%
45+	29.3%	29.1%	64.8%

Source: Hudson Institute Projections.

The Educational Challenge

These stark facts about the future imply an enormous educational challenge. What guideposts should we use to restructure our systems to meet this test? Three principles stand out:

- Focus on the least successful half of the population and the workforce, youths who traditionally have not gone on to college or in many cases even graduated from high school. Arguably, the nation does a reasonably effective job with its most educated 50 percent; it is among the dropouts and poorly educated high school graduates that we fall down. The job market of the future will demand that all young people reach much higher levels of competence if they are to contribute to our economy and support themselves and their children.
- Educate everyone as though he or she were going to college, even though not all will. The minimum competence needed to hold a good job in our society is increasing. The systems that channel children into "academic" and "vocational" tracks (with vocational tracks reserved for slower learners) are anachronisms that should be abandonned. True vocational preparation at the high school level means intensive understanding of "academic" subjects. To be productive in the information-intensive, service oriented economy of the future, everyone must at least graduate with the equivalent of a college preparatory English, mathematics, science, and communications skills. We should consider developing national curricula and measurement tools to insure that these new, higher standards are being met.

- Move education into the workplace, and get employers involved with the schools. Employers themselves need to undertake many new kinds of educational efforts to upgrade their current employees. Using modern technology such as interactive videodisks, employers need to be prepared to provide the skill training and basic education that the schools have not supplied. At the same time, employers need to become more involved in the management, measurement and organization of schools, to ensure that the schools are being run competently and effectively.

In the end there is no single or simple answer to the educational challenge we face. Enormous efforts will be needed over decades to close the gap between the types of skills needed by our economy, and the competencies of the workers who are entering our workforce. Fundamentally we must take the business of education more seriously than we have previously, because our future success as a nation depends on it.

Chairman **Hawkins**. Thank you, Mr. Johnston.

I am having a copy of the School Improvement Act, which was passed in 1988, reprinted and I would ask permission to have that included in the record, because it relates to the development by the Secretary of Education of a measurement test, or what is called an evaluation standard.

It is in the law and several references have been made to it. I just wanted to indicate that in prior hearings, we were asked to do this. The committee has responded. It is in the law and it is section 1435 of Public Law 100-297.

I certainly agree with you and with Mr. Brock in calling for such development of standards by which we can measure. I just wanted to call attention to the fact that it is in the law and we would hope that it is implemented by the Secretary and that it proceeds to either use the current test that is in use, Title I Evaluation and Reporting System or we would hope refine it and develop a new test.

[The information follows:]

"(c) **JUDICIAL APPEALS**.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari of certification as provided in section 1254 of title 28, United States Code.

"SEC. 1435. EVALUATION.

20 USC 2835.

"(a) **NATIONAL STANDARDS**.—In consultation with State and local educational agencies (including members of State and local boards of education and parent representatives), the Secretary shall develop national standards for local evaluation of programs under this chapter. In developing such standards, the Secretary may use the Title I Evaluation and Reporting System designed and implemented under title I of this Act, as in effect prior to the date of the enactment of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 as the model. The Secretary shall provide advance notification to State and local educational agencies of the requirements of such national standards of evaluations.

"(b) **REPORTS**.—The Secretary shall submit a comprehensive and detailed report concerning State and local evaluation results based on data collected under sections 1019, 1107, 1202(a)(6), and 1242(d) to the appropriate committees of the Congress on a biennial basis.

"SEC. 1436. COORDINATION OF FEDERAL, STATE, AND LOCAL ADMINISTRATION.

20 USC 2836.

"(a) **POLICY MANUAL**.—The Secretary shall, not later than 6 months after the publication of final regulations with respect to this chapter, prepare and distribute to State educational agencies, State agencies operating programs under part D, and local educational agencies, and shall make available to parents and other interested individuals, organizations, and agencies, a policy manual for this chapter to—

"(1) assist such agencies in (A) preparing applications for program funds under this chapter, (B) meeting the applicable program requirements under this chapter, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this chapter;

"(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this chapter;

"(3) assist parents to become involved in the planning for, and implementation and evaluation of, programs and projects under this chapter; and

"(4) ensure that officers and employees of the Department of Education, including officers and employees of the Secretary and officers and employees of such Department charged with auditing programs carried on under this chapter, uniformly interpret, apply, and enforce requirements under this chapter throughout the United States.

"(b) **CONTENTS OF POLICY MANUAL**.—The policy manual shall, with respect to programs carried out under this chapter, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be

Chairman **Hawkins**. Let me yield at this time to Mr. Martinez.

Mr. **Martinez**. Mr. Chairman, thank you. I am going to ask this question. You did cover it in your written testimony, Dr. Melnick, and I maybe will ask both of you to respond to it.

One of the things that I feel is very important is the need for actually reforming our present data collection procedures especially for use to target labor market training and civil rights enforcement and meaningful integration of our workforce.

Like I say, you did address it in your written testimony and skipped over it when you presented your testimony. But I think those demographics that you give in your written testimony are very meaningful and they have a definite place in the debate, so I would like you to refer to that.

Then, maybe Mr. Johnston can comment also on the need for it.

Ms. **Melnick**. All right. It is true, Mr. Martinez, that I have done that. It is extremely important for us to have the kind of monitoring that looks at marketplace changes so that we are able to prepare flexible students with flexible capabilities, rather than very narrow specialties, because the marketplace changes become not very predictable from one five year term to the next.

So, for example, if we prepare aeronautical scientists and we find out that NASA is going to cut down their budget, the employment for those scientists or engineers becomes much lower.

Where we have capabilities of flexibility in those students, I think that we have to go back more with a comprehensive education base so that students are capable of picking up technical skills as they are confronted with those changes.

It involves basic changes in the curriculum, in the approach and in the monitoring of the workplace so that we can combine this and dovetail the data collection system along with the preparation and the placements and retraining of the students and employees that become very important.

Particularly important are the factors that involve both minorities and women, because these changes have not really permeated into those areas which largely train minorities and women students or employees, future employees.

I think it is for this fact that the position that the Chairman has taken in the bill becomes extremely important. There should be a training and monitoring possibility and data collection, and providing that information both with those institutions that prepare future employees as well as those institutions that employ them become extremely important.

If we do not use this future resource that we already have in our country—minorities and women which are going to be the majority of the future workforce, percentage-wise—I think that we are really missing the boat on our development into the next century.

Mr. **Martinez**. Mr. Johnston, in responding, I'd like you to maybe respond, also, if you do feel that this is important, how important these two policy goals are. One, the accurate assessment of labor market demographics and the civil rights attainment in the private sector.

Mr. **Johnston**. The question concerns the data collection regarding that, as I understand it.

Mr. **Martinez**. Yes.

Mr. JOHNSTON. I think it is important that we continue to collect that data and that we extend its use and usefulness. I would caution that in terms of projections, as it relates, for example, to occupational and skill requirements in the future, that the point made by the Commissioner of Labor Statistics is a very sound one.

In these projections, the further out you go and the more detailed you make them, the weaker they are and the more unsound guidance you can get as it relates to what you are preparing people to do.

I would simply underscore that point and argue that we need to make good use of the data that we are collecting; whether it can be extended in ways that are going to be fundamentally more useful than the data we have today, I'm not sure.

Mr. MARTINEZ. Thank you, Mr. Chairman.

Chairman HAWKINS. Mr. Hayes?

Mr. HAYES. Just one question. I do not seem to have available—I do not know if they made it available, Mr. Johnston's written statement?

Mr. JOHNSTON. I do have a written statement. It was over on the table. I will bring you one.

Mr. HAYES. I would like to have one. That's all, Mr. Chairman.

Chairman HAWKINS. Mr. Sawyer?

Mr. SAWYER. Thank you, Mr. Chairman. Mr. Johnston, let me ask you, not today but as soon as you have an opportunity, if you have specific arenas in which you would like to see the follow-on work of the kind of data collection that is done, particularly through the census, that would be useful in the very near term.

I chair the subcommittee that oversees the work of the Census Bureau, not only preparing for the decennial census, but the way in which we use that data throughout the decade. In many ways, particularly those in which we are discussing today, that follow-on work is even more exciting and more demanding and more compelling in terms of its effect for far more than the next ten years, than the work that we do in preparing for next year.

I would appreciate that very much. Thank you, sir.

Mr. JOHNSTON. I will provide that.

Chairman HAWKINS. Thank you. May I again thank the witnesses. You have been very helpful and we certainly appreciate your continuing interest in the work of the committee.

Mr. JOHNSTON. Thank you, Mr. Chairman.

Ms. MELNICK. Thank you.

Chairman HAWKINS. The next panel will consist of Mr. Wesley McClure, President, Virginia State University; Mr. Keith Geiger, Vice President, National Education Association; Mr. Robert Atwell, President of the American Council on Education; and, I understand, our distinguished colleague, Mr. De La Garza is here to introduce the last witness, Dr. Nevarez.

Mr. De La Garza, let us call on you to introduce your distinguished friend and the final witness on this panel.

Mr. DE LA GARZA. Thank you, very much, Mr. Chairman and distinguished members and colleagues. I appreciate the opportunity to introduce Dr. Mike Nevarez, the President of Pan American University in my district.

Mr. Chairman, Dr. Nevarez comes with excellent credentials in education and everything related to your study, the Workforce 2000, and I commend him on his expertise. I have not consulted with him but I am sure he will be happy to continue corroborating with you and working with you as you proceed in this endeavor.

Let me just say, also, Mr. Chairman, that Dr. Nevarez has a timeframe schedule of a 2:00 o'clock plane back to Texas. Very briefly, from my vantage point, the credentials of Dr. Nevarez impact on all aspects of education and labor, but primarily upon the Hispanics, more Mexican-American, in our area.

Reading a report from the University of UCLA which shows that Hispanics will be 48 percent if not fifty percent of the population of California by the year 2010, and a major proportion of the United States, and this study out of the Chicano Studies Division of UCLA by Professor Valtista, shows that Hispanics are two percent of lawyers and two percent of doctors and engineers and so on, and ninety percent of farm workers and eighty percent of service employees.

If this is not reversed by the year 2010 in California, then they will remain the low wage earners, but the high wage earners of today will be the retirees of then and there will not be the necessary income just to maintain the retirees.

I know what you are looking at and what we are looking at and I come here to commend to you very highly Dr. Mike Nevarez, a distinguished educator from my area of whom we are extremely proud.

With your permission, Mr. Chairman, I—and I think you do, too—have a meeting at 12:30. If I might be excused?

Chairman HAWKINS. We certainly excuse you, Mr. De La Garza, because it involves the Chairman of the committee meeting with the Speaker and it is most important that we get the new Speaker off on the right foot.

Mr. De La Garza has never refrained from offering advice to our leadership and I am sure that his advice is needed now more than ever.

Mr. MARTINEZ. Mr. Chairman?

Chairman HAWKINS. Yes?

Mr. MARTINEZ. Mr. De La Garza offers advice to everyone, but call your office. They want you to call them.

Mr. DE LA GARZA. Thank you, very much.

Chairman HAWKINS. Thank you. Dr. Nevarez, if you have a time problem, suppose we hear from you and then we will excuse you after your testimony.

STATEMENT OF MIGUEL A. NEVAREZ, PH.D., PRESIDENT, PAN AMERICAN UNIVERSITY

Mr. NEVAREZ. Thank you, Mr. Chairman and distinguished members of the committee. On behalf of my colleagues in HACU, the Hispanic Association of Colleges and Universities, and on behalf of the people of the Rio Grande Valley of Texas, I thank you for your interest.

Indeed, I have two reasons for being here today. As a university president, I am interested in the educational provisions of H.R.

2235. As a native of the Rio Grande Valley of Texas, I am interested in seeing that the nation takes action towards meeting the six challenges that are identified in the Workforce 2000 report.

I am especially interested in the last two challenges, integrating black and Hispanic workers fully into the economy and improving the education and skills of all workers.

I have the pleasure of serving as President of Pan American University soon to become the University of Texas Pan American. At Pan American, we enjoy the distinction of serving the largest enrollment of Hispanic students of any four-year university in the continental U.S.

About eighty percent of our 12,700 students are Mexican Americans. Most represent the first generation of their families to attend college. Our typical graduate breaks the sad cycle of low income and unemployment that unfortunately is so common in our area.

I ask you to take note of that fact because my region, the Rio Grande Valley of Texas, has the highest unemployment and the lowest per capita income in the nation. The Commerce Department predicts that we will continue to hold that dubious distinction in the year 2000.

At the same time, we are also one of the fastest growing regions in the nation. That is why H.R. 2235 is important to us and why education is important to us. At Pan American University, we open the door to employment and to income. H.R. 2235 will open it even wider.

Pan American University and other members of HACU can be the tools that you can use to meet the challenges of the Workforce 2000. We, the members of HACU, support the educational provisions of the resolutions.

Why? Because 2235 would enable you to direct resources to the greatest challenges and opportunities. In particular, we support your definition of an Hispanic-served institution of 25 percent enrollment, which is the standard for membership in HACU. We support your plans for a scholarship program in Section 5, your provision for grants to colleges and universities in Section 6, and just the general principle underlying the resolution that we must act now to do a better job of integrating blacks and Hispanics into the workforce.

The demographic realities of the Rio Grande Valley are a national problem, but at the same time, they are a national opportunity. The Workforce 2000 warns us of the consequences of neglect. Every year, the problem will grow larger. It is conceivable that if we do not reverse the current trend, they will eventually rent the social and economic fabrics of our nation.

One disturbing trend is the declining rate of participation of blacks and Hispanics in higher education. The National Center for Educational Statistics tells us that the percentage of Hispanic high school graduates going to college has dropped by nine percent to 44 percent in the last ten years.

Of course, you know that more than forty percent of the Hispanic youngsters never make it to high school graduation. Today, in the Rio Grande Valley, we have over 200,000 children in the public school classrooms, K to 12. Ninety-five percent are Hispanic. That is the largest concentration of Hispanic school children in the state, more than in Houston, more than in El Paso, in San Antonio, more than double the number you will find even in the Dallas-Ft. Worth areas combined.

Now, most of those school children are eager for a postsecondary education. They fully believe they can make it and virtually all of them want to succeed in education and in the workforce. Our public service message of "Stay in school and be all that you can be" is working. Now we must just follow up.

The State of Texas has realized that it must put its programs where they will do the most good. As a result, the Texas Legislature has merged Pan American University into the University of Texas system. We have commitments that will permit us to develop or to add thirty new programs over the next five years, including engineering and a doctoral program in international business.

Perhaps your Resolution 2235 will be the vehicle that moves young people into this new degree program. Some of you may be familiar with a great comedian and film star of Mexico, Cantinflas. Cantinflas is a kind of Mexican Charlie Chaplin. I'll never forget one of his lines, and it seems to be pertinent here: "I don't want you to give it to me. Just put me where I can reach it."

Two hundred years ago, our nation began to build, with Federal help, a great university system in the northwestern United States to help meet the challenges and opportunities of the European immigration.

Perhaps we can stimulate a similar remark to today's immigration to the southwestern United States from Mexico and our neighbors to the south. I appreciate this opportunity to appear before you on behalf of HACU, who represents the colleges and universities with the largest enrollment.

Thank you, Mr. Chairman.

[The prepared statement of Miguel A. Nevarez, Ph.D., follows:]

Remarks to the Committee on Education and Labor U.S. House of Representatives

Re. House Resolution 2235
"The Workforce 2000 Employment Readiness Act of 1989"

by Dr. Miguel A. Nevárez
President
Pan American University
Edinburg, Texas

June 14, 1989

Room 2175
Rayburn House Office Building
Washington, DC

Written Testimony Submitted
for the Record
to the Committee on Education and Labor
U.S. House of Representatives

June 14, 1989
by Dr. Miguel A. Nevárez
President
Pan American University

Re. H.R. 2235
"The Workforce 2000 Employment Readiness Act of 1989"

Introduction

- The Rio Grande Valley of South Texas has the lowest per capita income in the United States. The Commerce Department forecasts that in the year 2000 we will continue to hold that dubious distinction.

- Shortly after the year 2000, Texas will be a "minority majority" state. Yet, if present trends continue, blacks and Hispanics will be dramatically underrepresented in management and leadership positions in business, government, and education.

Knowing these facts, and doing little or nothing about them, is like getting on an airplane to a destination we don't want to go.

I submit this testimony on behalf of my colleagues in the Hispanic Association of Colleges and Universities in support of the educational provisions of House Resolution 2235 — "The Workforce 2000 Employment Readiness Act of 1989." We believe the Resolution takes affirmative steps toward meeting at least two of the goals in the *Workforce 2000* report.

The report, *Workforce 2000: Work and Workers for the 21st Century,* produced for the Department of Labor by the Hudson Institute, eloquently describes the challenges before us and suggests six goals in response.

- Stimulating World Growth
- Improving Productivity in Service Industries
- Improving the Dynamism of an Aging Workforce
- Reconciling the Needs of Women, Work and Families
- Integrating Blacks and Hispanics Fully into the Workforce
- Improving Workers' Education and Skills

Increasing Minorities in the Workforce/Improving Workers' Education and Skills

House Resolution 2235 addresses the last two goals of the *Workforce 2000* report.

We have the opportunity today to make progress toward those goals and to lessen the problems of tomorrow. If we fail to act, the problems could damage the social and economic fabric of this nation.

We know that more than 40 percent of our black and Hispanic students dropout out of our public school systems before graduating from high school.

Of those who do graduate, the proportion going on to college has actually decreased in the last ten years.

In the Rio Grande Valley of Texas today, we have 200,000 school children in our public school classrooms K through 12. Ninety five percent are Hispanic. That is the largest concentration of Hispanic school children that you will find in Texas, larger than in Houston, than in San Antonio, than in El Paso, more than twice the number you will find in Dallas and Fort Worth combined.

Those school children represent a national opportunity.

There is no shortage of minority public school children today who are ready and willing to prepare to be your managers and leaders of tomorrow.

What must we do?

Invest more in education. And create opportunities where blacks and Hispanics live. House Resolution 2235 would do that.

"We have the opportunity today to make progress toward those goals and to lessen the problems of tomorrow. "

HACU

The Hispanic Association of Colleges and Universities is a collaborative effort of colleges and universities whose enrollments are at least 25 percent Hispanic.

As a member of HACU and a university president, I am interested in the educational provisions of HR 2235. As a native of the Rio Grande Valley of Texas, I am interested in seeing that this nation take action toward meeting the six challenges that are identified in the *Workforce 2000* report.

At Pan American, we serve the largest enrollment of Hispanic students of any four-year university in the continental United States. About 80 percent of our 12,700 students on our campuses in Edinburg and Brownsville are Mexican American. Most represent the first generation of their families to attend college. Our typical graduates break the cycle of low income and unemployment that unfortunately is so common to our area.

That is why HR 2235 is important to us and why education is so important. At Pan American University, we open the door to employment and to income. HR 2235 would open it even wider.

It is not uncommon for our graduates, on their first jobs out of college, to triple their annual income compared to their parents.

Ninety-six percent of our students come from the immediate area — they are commuter students — and more than half of those who go on to college from the Rio Grande Valley attend Pan American.

The same dynamics are at work at many HACU institutions.

We - the members of HACU - support the provisions of HR 2235 that would enable you to direct resources to the greatest educational challenges and opportunities.

In particular, we support:

- Your definition of Hispanic-serving institutions (25 percent of enrollment - which is the standard for membership in HACU).
- Your plans for scholarship programs in Section 5.
- Your provision for grants to colleges and universities in Section 6.

> **"There is no shortage of minority public school children today who are ready and willing to prepare to be your managers and leaders of tomorrow."**

- And the general principle underlying the resolution that we must act now to do a better job of integrating blacks and Hispanics into the workforce.

"Invest more in education. And create opportunities where blacks and Hispanics live."

Perhaps through concerted acts, such as HR 2235, by the federal government and through complementary action by the states, we can reach these goals.

The State of Texas, for example, has realized that it must put its programs where they will do the most good. The Legislature has merged Pan American University into The University of Texas System, and we have commitments from the UT System and the Texas Higher Education Coordinating Board that will permit us to add 30 new degree programs over the next five years, including engineering and a doctoral program in international business.

Perhaps your Resolution 2235 will be the vehicle that moves young people into those new degree programs.

We in HACU stand ready to work with state and federal governments, private foundations, the business community, and interested citizens to improve the quality of life for all in the years ahead.

-END-

Chairman HAWKINS. Thank you, Dr. Nevarez. With the permission of my other members, we will excuse you at this time.

May I say to you and any of the other witnesses that if the members would like to submit to you questions in writing for you to respond to, that we will use that facility in order to expedite and improve, perhaps, the communication between the members and the witnesses. We will take advantage of it and we certainly appreciate your appearing before the committee.

Mr. NEVAREZ. Thank you, Mr. Chairman.

Chairman HAWKINS. I understand that Mr. Geiger has a time problem.

Mr. PONS. Mr. Geiger had to catch a plane to Utah.

Chairman HAWKINS. We will call on you next, then. Any other witnesses that do have that time problem, we understand that we have been a little slow this morning in trying to reach everybody, but we will try to reach everybody. We will do everything we can to get you out on time.

STATEMENT OF MICHAEL PONS, GOVERNMENT RELATIONS ANALYST, NATIONAL EDUCATION ASSOCIATION ON BEHALF OF KEITH GEIGER, VICE PRESIDENT, NATIONAL EDUCATION ASSOCIATION

Mr. PONS. Mr. Chairman and members of the committee, I am Michael Pons, a Government Relations Analyst for the National Education Association. I appreciate this opportunity to speak on Mr. Geiger's behalf and on behalf of the NEA about education in the future.

As you know, as we have discussed today, we face a national crisis, a crisis with far reaching implications for our international competitiveness, economic well being and the social fabric of our nation.

Inasmuch as it is a national crisis, it is a human crisis. We are in danger of watching millions of Americans fall through the cracks, especially the disadvantaged, homeless and minority children.

The U.S. Department of Labor study, Workforce 2000, underscores what the NEA has been saying for years, that changing demographics and changing economic climate, threaten the well being and future of a generation of Americans, and that public education is the key to averting that catastrophe.

There is no question that women, minorities and the poor have been denied the full access to economic and educational opportunity but the Federal Government must do more than sound the alarm. It must do more than to develop recognition programs.

Congress must support initiatives that promote excellence and help equalize opportunity across the nation. We must establish programs from birth to kindergarten to give youngsters a solid foundation for success. NEA strongly supports H.R. 3, the Child Development and Education Act and we believe that it will be an important first step in universal school readiness, especially for disadvantaged children. This legislation would expand Head Start, support school-based child care and expand access to quality child care programs for infants and toddlers.

In addition, Congress must fully fund successful, existing Federal education programs, particularly Chapter I, bilingual education and handicap education and other programs that were reauthorized in the School Improvement Act that was passed last year.

At the same time, we must establish local partnerships to restructure the schools in ways that reflect the decentralized, collaborative and innovative setting of tomorrow's workplace.

The Workforce 2000 report highlights the right problem but fails to come up with the right answer. The report suggests that the only path to innovation and improvement is the privatization of the schools. We have had a lot of discussion today. There has been a lot of discussion of choice and mechanisms of choice.

NEA strongly believes that an educational structure that relies on social Darwinism to select winners and losers would further fragment our society and undermine our ability to improve educational opportunities for those who will make up the labor force in the next century.

Such NEA initiatives as the Mastery in Learning Program, learning labs, team approach to better schools and others, are demonstrating every day that the public schools can change, can improve, but we must give our schools and teachers the resources and the autonomy to continue these efforts.

At the same time, Congress must take steps to prepare under served and under represented segments of our society for meaningful work while helping to guide qualified persons into careers where shortages exist.

NEA strongly supports the Workforce 2000 Employment Readiness Act, particularly as it relates to the minority teacher shortage. At present, only ten percent of the nation's teaching force is black, Hispanic, Native American or Asian American while more than 25 percent of the American students belong to these groups.

The Employment Readiness Act would provide incentives to women and minorities to encourage them to pursue studies in areas of national need, such as mathematics, science and education careers and it would provide grants to strengthening programs for talented, disadvantaged individuals.

The way our nation responds to the economic challenge before us will determine the kind of economy and the kind of society our nation will have tomorrow. We know what we have to do to improve the teaching profession. We know what we need to do to address the needs of children at risk. We know what we have to do to improve education at every level. It is simply a matter of national will.

Mr. Chairman, we appreciate your work and the work of this committee in promoting a better understanding of our nation's future needs and we look forward to working with you to translate that understanding into action.

Thank you.

[The prepared statement of Keith Geiger follows:]

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LEGISLATIVE INFORMATION

TESTIMONY
OF THE
NATIONAL EDUCATION ASSOCIATION

ON THE
WORKFORCE 2000 REPORT

BEFORE THE
COMMITTEE ON
EDUCATION AND LABOR
U.S. HOUSE OF REPRESENTATIVES

PRESENTED BY
KEITH GEIGER
NEA VICE PRESIDENT

JUNE 16, 1989

MARY HATWOOD FUTRELL, President • KEITH GEIGER, Vice President • ROXANNE E. BRADSHAW, Secretary-Treasurer
DON CAMERON, Executive Director (202) 822-7300

Mr. Chairman and Members of the Subcommittee:

I am Keith Geiger, vice president of the 1.9 million-member National Education Association, which represents professional and support employees in public elementary, secondary, vocational, and postsecondary schools throughout the nation. I appreciate this opportunity to speak about the future and about the role of public education in shaping that future.

It is clear that we face a national crisis, a crisis with far-reaching implications for our international competitiveness, economic well-being, and the social fabric of our nation. And, as much as there is a national crisis, it is a human crisis. We are in danger of watching millions of Americans fall through the cracks, especially the disadvantaged, homeless, and minority children. This year, the U.S. Department of Labor has released a study, "Workforce 2000," which underscores what we have been saying for years: that changing demographics and the changing economic climate threaten the lives and future of a generation of Americans, and that public education is the key to averting that catastrophe.

The "Workforce 2000" report highlights the right problem, but, unfortunately, it fails to come up with the right answers.

There is no question that in order to maintain our nation's economic vitality we must concentrate efforts on full participation of all members of our society. Furthermore, there is no question that women, minorities, and the economically disadvantaged have — to a large extent — been denied full access to quality educational opportunities and to the job market.

Overcoming that challenge will mean changes in attitudes — an end to racial and sex discrimination in every institution and enterprise in the nation — and it will mean changes in the design and implementation of public education and ancillary services. Creating a new battery of national achievement tests, as this latest report recommends, is not going to address the needs of disadvantaged and minority youth. As the Committee for Economic Development stated in 1985, "raising standards for all students without increased efforts to help those that may not meet those standards will go only part way in realizing the nation's educational goals. It will leave a significant proportion of our population underskilled and probably unemployable." Two years ago, CED called on the nation to embark upon a "third wave" of education reform "that gives the highest priority to early and sustained intervention in the lives of disadvantaged students."

Minority children are more likely to be poor, less likely to have adequate health care or be properly fed; they are more likely to be the children of parents with limited educational attainment, the children of teenage mothers, one-parent families; they are more likely to be exposed to the temptations of drugs or other chemical dependency problems; they are more likely to be the victims of violent crimes.

The course of action to achieve our nation's goals in education, in economic vitality, national security, and social justice is clear. It will take the cooperative efforts of federal, state, and local governments, public officials and private individuals, educators, parents, and the students themselves. NEA believes the federal government should take an active leadership role, more than sounding the alarm, more than developing recognition programs of communities who have been successful, but providing leadership by supporting initiatives that work and helping to equalize opportunity across the nation.

Addressing the needs of disadvantaged students is the single most effective strategy we can employ to meet the growing demand for a qualified work force and a productive citizenry. We must establish and support a truly comprehensive range of programs that take into account the human, social, and emotional needs of children.

The most effective dropout prevention strategy is to establish programs from birth to kindergarten to give youngsters a solid foundation for success in school and in life. We must expand programs to assure quality prenatal and neonatal care, as well as programs to help young parents acquire parenting skills. Every day almost 1,300 teenage girls give birth. Many of these children will suffer from malnutrition, inadequate health care, low self-esteem, and other obstacles to learning and to leading productive lives. At present, only about 16 percent of all eligible children are served in federally funded Head Start programs; only about one-half of 1 percent of the eligible children are served in comparable state-funded programs.

Quality affordable child care and early childhood education are important components of an investment strategy that will help ensure that students are physically, emotionally, socially, and developmentally prepared to be successful during their critical first years of formal education. The time has come for a federal child care program which provides guidance and resources to state and local governments, establishes standards, provides assistance to low-income families, and helps establish or expand child care facilities. NEA strongly supports H.R. 3, the Child Development and Education Act, which would expand Head Start services, establish and support school-based child care, and expand access to quality child care programs for infants and toddlers.

Congress must take steps to fully fund successful existing programs, particularly those at the elementary and secondary level, including Chapter 1 compensatory education programs for disadvantaged students, bilingual education, and handicapped education. At present, only about half of all students eligible for Chapter 1 are served; only one-sixth of the students reported by states as being limited English-proficient are served in federal programs; federal funds for handicapped education programs provide only 7 percent of the excess costs of the programs. Without exception federal education programs to promote quality and equality in education have lost ground over the past seven years. NEA believes Congress must demonstrate a renewed commitment to these programs and work together with state and local education agencies to provide quality educational opportunities for all students.

Meeting human needs is an absolute prerequisite to success in education. Federal, state, and local programs in nutrition, health care, housing, and the prevention of child abuse and neglect must be expanded and better integrated with education programs in order to break the cycle of poverty and despair that hinder our efforts to improve education and meet the economic challenges of the future.

Just as mass production is no longer adequate to meet America's economic needs, mass produced education is no longer sufficient to prepare our young people for the workplace of tomorrow. Developments in communication, transportation, and other technologies have already dramatically transformed the work place so much that it is a mistake to believe that by simply adding some "high tech" courses to the curriculum we can adequately prepare today's students for tomorrow's world. The use of computers in education is a good example of a technology where students and teachers are learning together. In many cases, students are far ahead of the teachers in both experience with computers and imagination about the applications of computers. Increasingly, technological developments will require that the primary role of a teacher will be to establish a structure for exploration, rather than lecture and recitation.

Moreover, it isn't only technological changes that impact the work place. Increasingly economists are rejecting the traditional top-down decision-making process of American business as too slow to adapt to changes in today's marketplace. Consequently, we must restructure schools to reflect the decentralized, collaborative, and innovative setting of tomorrow's workplace.

The top down model for education — patterned after the industrial model and designed to prepare young people for working within that system — is no longer relevant. If we are going to prepare for the future, we must begin to think in terms of bottom up processes: involving teachers more in making the essential decisions that impact the learning process, giving greater latitude to school districts and individual schools to be innovative, and engaging students more in their own education.

Admittedly, there are risks involved in this approach. Giving teachers greater autonomy will require the strongest assurances that teachers are qualified to use that autonomy productively. Giving latitude to schools will require accountability to ensure that their methods are effective and that all students are well-served. Making students responsible for their own education means setting up a structure that challenges them to investigate the world, not cutting them loose to sink or swim.

Ironically, while the "Workforce 2000" report criticizes the nation's preoccupation with the manufacturing sector of our economy, the authors of the report talk about the need to improve numerical productivity in the education sector of our economy, as if students were so many units of product to be stamped out each year.

The "Workforce 2000" report suggests that the only path to improvement is by privatization of the public schools. According to the report, "...competition is needed at the elementary and secondary school level, where the monopoly position of the public schools has stifled innovation." In a competitive system — pitting public against private, employing a laissez faire, sink or swim approach to the schools — would undermine all of the goals I have just enumerated. It is impossible to help meet individual needs — particularly as related to coordinating health and nutrition services — if we fragment resources and programs into a myriad of competing public and private systems. It would be nearly impossible to plan programs and help counsel students into an appropriate program — college-preparatory, vocational, or general education — if one cannot reasonably predict where students will be from year to year. A public school system would not be able to have the resources to provide diverse, yet comprehensive, education services in a system where public funds are freely diverted into private schools. A purely competitive education system that relies on social Darwinism to select "winners and losers" would further fragment our society, lessen accountability, and ultimately undermine our ability to accomplish the stated goals of the "Workforce 2000" report: to improve educational opportunities for Blacks, Hispanics, women, and others who will make up an increasing share of the potential labor force in the next century.

The National Alliance of Business recently published a supplement to Time magazine entitled "The Disappearing Quality of the U.S. Workforce: What Can We Do To Save It?," which states in part "The restructuring of our educational system must be a priority on America's agenda. Restructuring includes school-based management, accountability for performance, changes in the curriculum, and combining education with social services.

Thankfully, the sentiment seems to be waning that education is solely the problem of those who teach."

At more than 100 different demonstration sites, NEA members are now at work fashioning innovative approaches to learning and school structure. NEA's Mastery in Learning program, Learning Labs, Team Approach to Better Schools, and other state and local initiatives are demonstrating every day that the schools can be changed, can be improved, and that it isn't necessary to throw out the baby with the bath water when one talks about education reform.

One positive approach that would make a genuine contribution to addressing our nation's future needs is the Workforce 2000 Employment Readiness Act of 1989, H.R. 2235. NEA strongly supports H.R. 2235, particularly Section 5, the Education Improvement Fund Scholarship Award Program, and Section 6, Grants to Education Agencies and Institutions. According to the National Governors' Association (NGA), current estimates suggest that only 10 percent of the current teaching force is Black, Hispanic, Native American, or Asian American, while more than 25 percent of the nation's schoolchildren belong to these groups. But while the number of minorities who earned bachelor's or master's degrees between 1975 to 1982 rose by more than 60 percent, the number of bachelor's degrees in education awarded to minorities decreased by 50 percent. According to the NGA, "The demand for more minority teachers is clear. Students need contact with minority teachers to help prepare them to live and work in an increasingly multicultural, multiethnic society.

Minority teachers serve as role models of success and scholarship for minority students. For majority students, minority teachers accurately reflect the growing diversity among professionals and authority figures throughout society."

The Employment Readiness Act would help our nation prepare to address labor needs by targeting financial assistance to women and minorities and providing incentives for them to pursue studies in areas of national need, such as mathematics and science and education careers — teaching, counseling, and administering.

Under Section 5, the Employment Readiness Act would provide grants to institutions of higher education to enable them to identify and recruit eligible, talented undergraduate and graduate students from underrepresented racial, ethnic, or gender groups who demonstrate financial need.

Under Section 6, the Act would provide grants to state and local education agencies, vocational education institutions, institutions of higher learning, and community-based organizations engaged in education and training to help them provide more effective programs for educationally disadvantaged and talented individuals who are members of underrepresented racial, ethnic, and gender groups. Funds may also be used for teacher education programs. The Act would help establish and strengthen programs to identify, recruit, and prepare qualified individuals for education professions.

This proposed legislation acknowledges that unless we plan for the future by establishing programs to identify national needs and addressing future work force demands — both in terms of raw numbers of available jobs and in terms of the requirements of those positions — our nation's economy will not be sufficiently dynamic to maintain the quality of life Americans have come to expect.

In concert with continued federal support for the kind of education and ancillary programs discussed above, the Workforce 2000 Employment Readiness Act can make a dramatic contribution to our nation's educational and economic enterprises.

NEA is heartened by the fact that a consensus is emerging among the business, political, and education communities that the key to economic competitiveness in this new era lies in a nation's development of its human capital — its people. Japan, of course, is the primary example. A small island nation, Japan is bereft of natural resources, except one — its people. Japan's strong economy is based on its investment in developing its human capital, in building a highly educated work force. Japan's accomplishments in the field of education are no accident; they are the result of a commitment at the top and at the bottom. The federal government in Japan demonstrates its commitment through contributing considerable resources to education, and Japanese families place a strong emphasis on the education of their children, supporting, supplementing, and encouraging their children to excel.

The United States has a choice: we can become an economy based on low-wage, low-skill jobs — with a small, highly skilled elite — struggling to compete with other low-wage, tax haven countries, or we can build a competitive U.S. economy based on highly productive, skilled workers able to utilize and improve constantly changing technologies. The way our nation responds to the economic challenge before us today will determine the kind of economy, and the kind of society, our nation will have tomorrow.

I have said for years that I believe we have enough information to act. We know what we have to do to improve the teaching profession, we know what we need to do to address the needs of children at risk, we know what we have to do to improve education at every level, we have a good consensus on what the appropriate role of federal, state, and local governments ought to be and what the appropriate role of public school professionals, parents, and the students ought to be. It's simply a matter of national will.

Mr. Chairman, NEA appreciates your work, and the work of this Committee, in promoting a better understanding of our nation's future needs. And we look forward to working with you to translate that understanding into action.

Thank you.

Chairman **Hawkins**. Thank you.

The next witness is Dr. McClure, President, Virginia State University.

STATEMENT OF WESLEY McCLURE, PH.D., PRESIDENT, VIRGINIA STATE UNIVERSITY

Mr. **McClure**. Thank you, Mr. Chairman and members of the committee. I, too, am pleased to testify before this committee about the importance and merit of H.R. 2235, the Workforce 2000 Employment Readiness Act of 1989. This bill must be supported.

The urgency of the matter arises from disturbing recent events. Just three days ago, in a Supreme Court split decision in Martin v. Wilks, the Court once again took a stand that further undermines the affirmative action decisions and policies that play such a critical role in combatting the legacy of inequality which minorities and women have suffered down through the years.

The sweep of ideological sentiment that either dismisses the validity of the claims and assumptions underlying the spirit and substance of affirmative action erroneously assumes that the issues to which affirmative action responded have been resolved, appears to have captured the judgment and vision of the Court.

Monday's ruling and the two rulings earlier this year with related and similar interpretations, pose serious threats to Congressional efforts such as H.R. 2235. This bill, unlike the Court's recent rulings, is grounded in a historic appreciation of the conditions that gave rise to the need for several legislative enactments which, without question, have begun to address the effects of historic discrimination against African Americans, Hispanics and other minorities.

How ironic that the very judicial decisions that were attended to address the grievous conditions under which minorities and women in our society have suffered for generations are now invoked in decision of the rights of the very community that resisted those original judgments by the Court, the culpable now claim vulnerability and victimization.

Now, more than ever, then, it is critical that you act. I believe that actions like the one you are proposing here must be followed by hundreds of others, because the sweep of a decision of the magnitude taken on Monday of this week can have the effect of knocking out from ten to twenty such enactments as the one proposed here.

Now is the time for Congress to table partisan divisions and fashion a response to the impending difficulties inherent in the demographic transformation of the workforce. Such a response must be shaped in a full appreciation of the factors that explain why it is that minorities and women, despite the efforts of the past twenty years, still fall far below standards of equity and social justice.

By way of footnote, Mr. Chairman, let me say here that I strongly disagree with the proposition advanced by Ms. Norwood that we must move with great caution in the use of this data and that it is very, very difficult to collect accurate and usable data toward the end being proposed in your legislation.

The fact is that we do use the data. We use it very effectively for the purposes all too often determined by the majority or power class. It is very, very important that we continue with these pursuits and that we apply our judgments toward the proper use of them.

I come before you as an executive officer of an historically black university and as a sibling of another. My commitment is not unlike yours—to make higher education among the more attractive vehicles available for enhancing the quality of life.

This is possible only if higher education is perceived as successful and if its outcomes bear witness to the argument that through education, individual lives are improved and the life of the community is enriched.

The intended provisions of H.R. 2235 are similarly directed and hold great promise for advancing the purposes of higher education generally and of historically black colleges, particularly.

The following three suggestions address concerns that I do have about the Act. Number one, the work of the Advisory Council, a body provided for in section 2(j) of the Act should include specific language that includes representation from the historically black colleges and universities.

Number two, since the Act provides for a specific and significant role by the Department of Labor, the Department of Labor must be encouraged to look to the historically black colleges and others having direct relationships with minorities to provide collaborative training activities.

Three, the view of the conference report that accompanied the Higher Education Amendments of 1986 regarding the phrase "historically black colleges and universities" ought to be reflected in the current Act, thus deleting references to "Hispanic-serving institutions."

We believe that you ought to speak very clearly and forcefully to the need to address the needs of Hispanics in much the same way that you would to blacks.

To be vague in such an important matter, we think would be to dilute the very intent and possible force of this legislation.

This Act, with the few modifications suggested, speaks to the mission of higher education and constitutes an important statement of the Federal Government's willingness to reassess its stances, policies that have constrained the boundless possibilities we educators argue are embodied in the quest for knowledge.

I am going to stop now, Mr. Chairman, but I do appreciate the opportunity to speak to you and with you.

[The prepared statement of Dr. Wesley McClure follows:]

DRAFT

Testimony before
House Education & Labor Committee

Dr. Wesley McClure
President
Virginia State University

Thursday, June 15, 1989

Mr. Chairman and members of the Committee:

Thank you for your invitation to testify at this hearing regarding H.R. 2235, the Workforce 2000 Employment Readiness Act of 1989. Due to the lateness of the invitation extended to me to participate in these hearing, I reserve the right to submit a final copy of my comments for the record.

I am prepared to speak to the general value of the proposed Act, and to call attention to those features which present opportunities for the federal government, in concert with institutions of higher education, to anticipate and address the changing demographic character of the American workforce and anticipated transformations of the arena in which American laborers will be expected to function by the year 2000. Since the Act is needed "because experts have predicted that by the Year 2000, the majority of new entrants into the labor force will be women and minorities," and since the purpose of the Act is to "create a more competitive and diverse workforce and to increase the productivity of American labor in the 21st century," it is particularly important to incorporate the concerns and interest of those black colleges and universities that currently and have historically served the interest of the targeted populations.

I come before you as the executive officer of an Historically Black University, and as sibling of one. My commitment is, not unlike yours, to make higher education among the more attractive vehicles available for enhancing the quality of life. This is possible only if higher education is perceived as accessible and if its outcomes bear witness to the argument that, through education, individual lives are improved and the life of the community is enriched. The intent and provisions of H.R. 2235 are similarly directed and hold great promise for advancing the purpose of higher education generally, and of historically black colleges particularly.

Cheyney University of Pennsylvania, the first public institution of higher education devoted to educating people of African descent, opened its doors in 1837. In this action was manifest the democratic impulse that has come to shape the structure of contemporary higher education. Defying the elite tradition of higher education, state and land-grant institutions have a long and eminent history based in the notion of 'people's universities.' Guided by standards for assuring, as John Dewey suggested in Democracy and Education, that "each individual gets an opportunity to escape from the limitation of the social group in which he (or she) was born, and to come into living contact with a broader environment," historically black colleges and universities continue to accept the challenge and mission of democratic education. Today there are 35 historically black state colleges and land-grant institutions that, along with the private black colleges, have played a pivotal role in facilitating access to higher education for African American students and other students from a wide range of economic, social and cultural backgrounds. The most striking testimonial to the value of these institutions is in their immeasurable contributions to science and technology, human ecology, and serving and harnessing the energies of economically and socially neglected communities. Historically, even with limited financial resources and in the face of what seem insurmountable odds, these institutions have made great strides in building competitive academic programs in engineering, business, mathematics, computer sciences, environmental sciences, nursing, and communications. Despite the crippling effect of marginal state and federal assistance, these institutions continue to serve as social satellites--providing technical expertise, serving as partners in economic development, organizing networks for self-help community groups, developing cooperative projects with private enterprise, and responding to the compelling financial and educational needs of minority young men and women. Graduates have been, and continue to be living testimonial to the valuable contributions of these institutions.

Despite the heroic efforts of historically black colleges and universities and other institution, the findings of The Workforce 2000 Report are a graphic reminder of the legacy of inequality in our society, the effects of which threaten to haunt this nation into the twenty-first century. This report indicated that despite the fact that the greatest increase in labor force participation in the twenty-first century will be among women and minorities, the federal government lacks a concerted and coordinated initiative to address the special educational needs of these sectors of the population. Indeed, many of the earlier initiatives in job training are grossly inadequate when viewed from the perspective of skills needed to make meaningful and productive contributions to the growth of the American economy. The Workforce 2000 Employment Readiness Act is designed to address these issues through the implementation of three strategies: 1) collecting data and conducting empirical studies relative to the actual demographic make-up of the labor force; 2) enhancement of administrative procedures and enforcement policies relative to equal employment laws, and 3) establishment of an Education Improvement Fund to cover the cost of a scholarship program, to support institutional efforts to provide training in neglected areas to the majority of new entrants into the labor force, most of whom are not currently best-served by higher education.

DATA COLLECTION & EMPIRICAL STUDIES

The need for more accurate employment data is widely acknowledged. Existing data reveal gross disparities in participation rates across occupational categories. It is probable that under-representation of women and minorities in the areas of the emerging fields is much greater than current data indicate. The available information provides tremendous incentive to extend additional resources and support to historically black colleges since they possess the broad expertise in teaching, research, technical assistance, and community development necessary to insure that the more pessimistic projections regarding the quality of life for minorities and women do not become reality. Those individuals who are statistically condemned to poverty and misery must be counted and must be provided opportunities to develop their talent and the expertise needed to contribute in a world economy.

The work of the Advisory Council, a body provided for in Section 2(J) of the Act, would benefit from the input of representatives from the historically black colleges. Specific reference to the inclusion of representatives from historically black colleges could be included this section.

ENHANCEMENT OF ADMINSTRATIVE PROCEDURES

Provisions for filing complaints and investigating employment practices, as outlined in Section 8 of the Act, strengthen and affirm the federal government's commitment to justice and equity for women and minorities in the workforce. The relief available to aggrieved parties, as indicated in the act, sends a strong signal to employers that the federal government is willing to actively intervene in behalf of women and minorities. This is a shift away from those policies which have, over the last ten years, eroded many of the gains in employment and education made by these constituencies, and which have compromised much of the potential for preventing the worst scenario that is projected in the Workforce 2000 Report. Commenting on the policies that were implemented between 1982 and 1984, Bawden and Palmer contend that:

> ...administration appointees have forcefully articulated the view that the enforcement of civil rights and equal opportunity had gone too far in recent years, resulting in remedies that discriminate against the majority population, causing racial resentment among whites, and creating a burdensome set of rules, regulations, and procedures. The administration has contended that government is primarily responsible to assure that individuals qua individuals are protected against present, intentional discrimination, and is responsible for correcting the consequences of past discrimination only when individual victims can be identified...these view...have clearly entailed--and produced--a major change in the definition of federal responsibility for the enforcement of civil rights and equal opportunity.

Relaxation of the federal commitment to equity sent a message to employers and to educational institutions which, in addition to shifts in international economic arrangements, accounts for the foreboding forecasts of the Workforce 2000 Report. It is clear to those who prepared the Report and to the authors of the Act that revitalization of federal efforts must include advising employers of the ramifications of the inequities that prevail in workforce participation and educational opportunities, and of the impact of discriminatory practices on the individuals involved and on the overall economy. In the absence of the changes authorized by this Act, the year 2000 will witness some 70% of all African American men locked in the cycle of unemployment, with roughly 9.2 million African

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Americans remaining in poverty. The plight of other minorities will be similar; the plight of women heading households, much worse.

Since the Act provides for a significant role for the Department of Labor in setting goals and timetables and authorizes appropriation of 5% of the Education Improvement Fund monies, the Department of Labor must be encouraged to look to the historically black colleges to develop collaborative training activities. The established tradition of technical training in these institutions makes them particularly qualified to assist in such efforts.

EDUCATION IMPROVEMENT FUND

One goal of this Act is to make education accessible to the very population from which the workforce of the 21st century will be drawn. Some reconsideration ought to be given to the means by which these funds are to be secured. Although the Act provides for a reeducation in the assessment for small businesses and contractors who can demonstrate and certify contributions to a "program or programs serving the same purposes as the programs supported by the Fund," the assessment guidelines impose a hardship on contractors who are engaged in activities that are socially beneficial. This includes research and pilot or long-term projects that focus on such issues as AIDS, teen-age pregnancy, homelessness. etc. Such federally contracted projects must be exempted from the assessment to insure that the Act does not undermine the ability of these contractors to address these critical social issues.

Funds for scholarships and institutional grants to recruit and train women, African Americans, Hispanics and other minorities are essential to the actualization of the goals of this Act. Although 70% of the 1.9 billion dollars in average annual expenditures to institutions that have historically attended to the needs of African American students is in the form of financial aid, these monies do not target recruitment and training in the new technologies in which 21st century Americans will need to be proficient. Although job training programs have proven beneficial, they are geared toward short-term, low-level occupation that do not prepare minorities or women for the higher levels of educational or occupational competitiveness.

While it is clear that other minorities suffer from discriminatory policies and practices, the history of African Americans and historically black colleges and universities is distinct from that of other minorities, and has been so viewed by Congress since the phrase "historically black colleges and universities" was clarified in the Conference Report that accompanied the Higher Education Amendment of 1986. This view ought to be reflected in the language of the current Act, thus deleting reference to "Hispanic-serving institutions" and providing clearer guidance as to how the legitimate needs of Hispanic and other minority communities will be met, other than by subsidizing institutions that have sizable Hispanic and other minority populations but no historic legacy of discrimination against the institution.

It is painfully clear that the success of the American democratic experiment is contingent on making higher education accessible to those communities and individuals who are accident of history and place have been factored out of the rich future projected to accompany transformations in the international economy. For many of the individuals and communities with which this Act is concerned, the discipline and skills require to participate fully in this society seem hopelessly out of reach. The statistics hint at the problems. In 1984-85, only 3.4 percent of doctoral degree recipient in the nation were African-Americans. As the report "One-Third of a Nation" notes, of 355 doctorates awarded in computer science in 1986, only one was awarded to an African American. In the same year, only 89 African Americans earned doctorates in all the sciences. These data are compelling in a society that is losing its competitive edge simply because it is unwilling to strengthen the richness, creativity, and diversity of this nation's institutional and human resource base–women, African Americans and other minorities, and historically black colleges and universities.

The strength of the nation's historically black colleges and universities coupled with substantial federal assistance could make a critical difference in the expansion of educational opportunities and the quality of life to millions of young geniuses who may have languished unchallenged, unrevealed, and possibly shattered by tensions and demands of an unequal society.

This Act, with the few modifications suggested, speaks to the mission of higher education and constitutes an important statement on the federal government's willingness to reassess the stances and policies that have constrained the boundless possibilities we educators argue are embodied in the academy and the quest for knowledge. It can make the promise of higher education a real possibility.

VIRGINIA STATE UNIVERSITY
Petersburg, Virginia [illegible]

Office of the President

June 26, 1989

The Honorable Agustus F. Hawkins
Chairman
Committee on Education and Labor
2181 Rayburn House Office Bldg.
Washington, D.C. 20515

RE: H.R. 2235, The Workforce 2000 Employment Readiness Act of 1989

The African-American community and representatives of African-American institutions have always been committed to democratic principles and ideas and to the implementation of the public policies that advance equality for all citizens of this nation. Since my testimony before your committee generated considerable concern as a consequence of a recommendation I proposed relative to clarifying the term "Hispanic-serving institutions" in H.R. 2235, I am compelled to reaffirm the egalitarian commitment that undergirds the recommendation, and to explain why it is that I suggested a course as radical as deletion of the reference in the bill.

It is common knowledge that the educational systems of this nation have historically excluded the participation of African-Americans. The legacy of social and educational segregation is well documented. Certainly you and your committee are familiar with the history of discrimination and you have, personally, been at the forefront of efforts to remedy the lingering effects of America's tradition of inequality. Historically black colleges and universities, while initially created in recognition of and in response to the racial animosities that prevailed and held, at the time, no prospect of being altered, also intended to channel African-Americans into more menial sectors of the American economy. However, the founders of these institutions were motivated by significant humanitarian impulses and hoped to produce a leadership cadre that could directly serve the African-American community. Historically black colleges and universities redefined their institutional missions and have advanced the egalitarian interests of the society generally and of African-Americans specifically. This despite the construction of formidable obstacles.

"VSU: Education, Research and Community Service in Central and Southside Virginia . . ."

While the price of democratic education has been, and will continue to be high, few people of insight and goodwill would argue that any alternative is acceptable. Yet the willingness of this nation to be true to democratic practice is constantly called into question at the budgetary level. It is here that the test of commitment is truly measured. And it is to this issue that my testimony relative to "Hispanic-serving institutions" is directed.

At no point is it my intention to suggest that institutions that serve Hispanic populations or other minorities ought not receive fullest attention and support. What must be acknowledged is that many state and private colleges and universities that serve these communities do so coincidentally and not as a consequence of an historic mission or commitment to these communities. Indeed, it has been only as a consequence of the struggles of these communities that many of these institutions have been forced to open their doors to all members of this nation, regardless of racial or ethnic origin. Historically, many of these institutions have simply been unwilling to direct their considerable resources to the education of minority populations. This disposition should not be rewarded with federal support in the absence of evidence that some portion of the institutional budget is already committed to providing for the specific needs of minority communities. Are there special programs and funds available for Hispanics or other minority communities the institution is serving? What percentage or proportion of the overall budget do these commitments constitute? The point is, if an institution has the fiscal capacity to serve a community but shows no evidence of having done so, other than by simply increasing the presence of minorities on the campus, some thought must be given as to whether or not such an institution actually "serves" the designated community, since that is not its legacy, its stipulated mission, or its practice.

My concern, and I suggest it ought to be the concern of this committee and Congress, is that the spirit and purpose that are at the heart of this legislation may eventually be compromised by this seemingly minor technicality. This is not idle concern given that many of the affirmative action initiatives of the last twenty years have now been reinterpreted to the disadvantage of the very communities they were initially intended to serve.

In the past ten years we have witnessed the closing or merger of several historically black colleges and universities and numerous hospitals that have served the African-American community. This, allegedly, is a response to the budgetary constraints that have prioritized the need for such institutions out of existence, given the presence of other institutions allegedly equally well situated to serve the African-American community. The need for the Workforce 2000 Employment Readiness Act of 1989 is an indication that strong support for colleges and universities that are specifically committed to African-Americans and other minorities, and incentives that encourage majority white institutions to broaden the nature of their commitments present greater opportunities for addressing critical social issues.

I would caution this committee, and my Hispanic colleagues to be certain that institutions that secure funding under the auspices of serving the community have a demonstrated and measurable institutional commitment to doing so.

You can depend on my continued support for legislation that advances the interests and addresses the needs of women, Hispanics, African-Americans and other minorities, and thus, the society in general.

Sincerely,

Wesley Cornelious McClure
PRESIDENT

cc: Board of Visitors, Virginia State Univerity
Dr. Joyce Payne, Director, Association for the Advancement of Public Black Universities
Mr. John William Smith, Special Assistant to the Chairman

Chairman HAWKINS. Thank you.

The next witness, Mr. Robert Atwell, President of the American Council on Education.

STATEMENT OF ROBERT ATWELL, PRESIDENT, AMERICAN ACADEMY ON EDUCATION

Mr. ATWELL. Thank you, Mr. Chairman. I appreciate the opportunity to testify on Workforce 2000 because that report addresses issues of crucial importance to the nation and issues on which the American Council on Education has been working for a long time.

It seems to me that the key findings in a very rich report are, first, that the new jobs to be created between now and the year 2000 will be filled largely by women and members of minority groups and, second, that these jobs will require more postsecondary education than is true of the jobs held by the present labor force.

That, of course, presents an enormous challenge to the education system and to the nation. If you assume that up to fifty percent of the net new jobs will be filled by members of the minority groups, we simply have no choice but to improve their participation in the education system at all levels.

Blacks and Hispanics are a rising share of the traditional college-age population and yet, their participation and persistence in higher education lags well below that of whites. We believe that this situation is not improving.

We used to talk about the participation of minorities in terms of the need for social justice, and I hope we will never stop talking about in those terms, but we now have another and perhaps even more compelling reason to do a job on behalf of blacks and Hispanics, and that is very simple.

We must educate them if this nation is to retain its economic strength and regain some of our lost competitiveness. The American Council on Education first began to address the issues raised by Workforce 2000 in a report several years ago by the Business Higher Education Forum, which was really the first time the "C" word burst onto the national agenda.

The Business Higher Education Forum has been addressing various dimensions of this issue ever since and will continue to do so.

More recently, the American Council on Education and the Education Commission of the States established a Commission on Minority Participation in Education and American Life to examine the state of minority progress and recommend ways to renew its momentum.

They found that America is moving backward and not forward, and they issued a series of challenges to institutions. We had the pleasure, Mr. Chairman, of testifying before you on that subject about a year ago.

Last January, the American Council on Education issued "Minorities on Campus: A Handbook for Enhancing Diversity" which brought together for the first time a statement on the full range of actions needed to make the campuses more hospitable and supportive places for minority students, faculty and administrators.

Even more recently, we are pleased to announce the first phase of a five-year effort supported by grants of up to three to four million dollars from the Ford Foundation to establish a national project on academic achievement and transfer.

We will, in this project, be addressing the need to increase the transfer of students, particularly those who represent under represented minorities and other disadvantaged persons from two year to four-year institutions. More than half the Hispanics and almost half the blacks in American higher education attend community colleges and very few of these move on to senior institutions.

We will, during the first 18 months of this project, be using partnership grants, pairing two-year institutions with four-year colleges and universities, to try to improve the presently very unsatisfactory rate of transfer.

Further, Mr. Chairman, we have joined with a number of higher education and elementary-secondary associations in an effort to address the serious problems needed to increase the number of minority teachers through demonstration programs, projects in local school districts, to identify and encourage minority students to enter teaching and to attract into teaching careers persons now not in teaching.

There was testimony earlier that ten percent of the teachers are members of minority groups. That percentage is rapidly declining while the percentage of school age children from minority groups is rapidly increasing.

We submitted our recommendations to Secretary Cavazos in December and I have appended the details of these proposals to my written testimony in the hope that it might become a part of the record of these hearings.

The need to increase the number of minority teachers is, of course, addressed by your Bill H.R. 2235 as currently drafted. We would hope that as the bill moves through the committee, you might want to consider some of our recommendations to Secretary Cavazos and you might want to ask for the Department of Education's views on our recommendations.

I applaud you for seeking the views of the education community and I can assure you that we, too, are working as hard as we can on these issues. We stand ready to help you in any way we can.

[The prepared statement of Robert H. Atwell follows:]

TESTIMONY TO:

COMMITTEE ON EDUCATION AND LABOR

U. S. HOUSE OF REPRESENTATIVES

JUNE 14, 1989

PRESENTED BY:

ROBERT H. ATWELL, PRESIDENT

AMERICAN COUNCIL ON EDUCATION

Mr. Chairman and Members of the Committee:

I am pleased to participate in this hearing on the Workforce 2000 report, and the actions which should be taken to avert a crisis in the workplace of the 21st Century.

Hopefully, these hearings will spark the development of a systematic national strategy to build a competitive workforce by removing the barriers to education for minorities and women, and by increasing opportunities for them to enter fields such as engineering, the sciences, mathematics, and the teaching profession, where they are under-represented and where serious shortages exist.

The Hudson Institute's report amply documents the need for national action in these areas. It emphasizes that:

- "Non-whites...will comprise 29 percent of the net additions to the workforce between 1985 and 2000 and will be more than 15 percent of the workforce in the year 2000. Black women will comprise the largest share of the increase in the non-white labor force. In fact, by the year 2000, black women will outnumber black men in the workforce, a striking contrast to the pattern among whites, where men outnumber women by almost three to two."

- "By almost every measure of employment, labor force participation, earnings, and education, black and Hispanic minorities suffer much greater disadvantages than white. To these statistical indices must be added the extensively analyzed and debated indications of social disadvantage, such as poor performance in schools, greater dependence on welfare, greater incidence of broken families and children born to unmarried mothers, and higher rates of criminal arrest."

- "The prospect that minorities will comprise a very large fraction of the new additions to the labor force over the next 134 years appears, on the surface, to present an unprecedented opportunity...But the pattern of job growth in higher technology occupations requiring more education, and the likelihood of greater employment gains in metropolitan regions with fewer minority residents, suggest that this sanguine outlook is far from assured. In fact, given the historic patterns of behavior by employers, it is more reasonable to expect that they will bid up the wages of the relatively smaller numbers of white labor force entrants, seek to substitute capital for labor in many service occupations, and/or move job sites to the faster growing, more youthful parts of the country...Blacks, and particularly black men, are those most likely to be put at risk if such strategies dominate."

* "If the policies and employment patterns of the present continue, it is likely that the demographic opportunity of the 1990s will be missed and that, by the year 2000, the problems of minority unemployment, crime, and dependency will be worse than they are today. Without substantial adjustments, blacks and Hispanics will have a smaller fraction of the jobs of the year 2000 than they have today, while their share of those seeking work will have risen...Traditional job training and employment programs by themselves are unlikely to have profound impacts on the future success of minority youth. Unless the $127 billion public educational system can somehow be better harnessed to serve minority youth, the $4 billion Job Training Partnership Act system can make only a small dent in the program. For the public educational system to succeed with the minorities, however, may require radical changes..."

The need for national action on these problems is clearly recognized in the education community. Nearly two years ago, the board of directors of the American Council on Education approved a minority initiative that is now our highest program priority. Late in 1987, ACE and the Education Commission of the States formed a Commission on Minority Participation in Education and American Life to examine the state of minority progress and recommend ways to renew its momentum. That commission was chaired by Frank Rhodes, the President of Cornell University, with former Presidents Jimmy Carter and Gerald Ford as honorary cochairs. Its members included 39 leaders from all walks of life.

Just over a year ago the commission issued its report, which concluded that "America is moving backward--not forward--in its efforts to achieve the full participation of minority citizens in the life and prosperity of the nation." The commission issued a set of challenges to institutions of higher learning, national political leaders, the private sector, voluntary groups, and minority organizations to take concrete steps on behalf of minority advancement.

In July of 1988, ACE sponsored a conference in Washington, D.C. entitled "Educating One-Third of A Nation." Over 500 top-level administrators from more than 120 colleges and universities spent several days developing plans for improving minority participation on their campuses. This November we will sponsor a second such conference in San Francisco to bring more schools into the process and allow previous participants a chance to share their experiences.

This January ACE issued "Minorities on Campus: A Handbook for Enhancing Diversity." This volume brought together for the first time the full range of actions needed to make the campus a hospitable and supportive place for minority students, faculty, and administrators, and called for institutional leaders to develop and lend their full support to comprehensive strategies to increase minority recruitment, retention, and graduation.

The handbook was endorsed at a press conference by Secretary of Education Lauro F. Cavazos. It was distributed to more than 1500 college and university presidents, and to date we have received orders for over 5500 copies from officials in all areas of higher education.

Just recently, Mr. Chairman, we were pleased to announce a new grant of $1.2 million from the Ford Foundation to fund the first phase of a National Project on Academic Achievement and Transfer. Under this grant ACE will establish a national center that will work to increase the level of academic achievement among students at the nation's community colleges and to increase the rate at which community college students transfer to four-year institutions and complete their baccalaureate degrees.

This project is especially important for minority advancement because almost half the minority students enrolled in higher education attend community and junior colleges, and very few of them move on to four-year colleges.

In the first 18 months of this project we will fund about 25 partnership grants pairing two-year institutions with four-year colleges and universities. The partner schools will collaborate on one-year projects such as redesigning existing courses to make credits transferable, developing faculty exchange programs, and creating pilot programs for selected community college students who are potential transfers. We also will explore ways in which federal policy can be shaped to encourage transfer, analyze data on movement from two-year to four-year institutions and the impact of federal financial aid policies, and convene a national panel of leaders from two- and four-year institutions to develop a policy statement on the importance of transfer for minority and low-income student academic achievement.

Both ACE and the Ford Foundation anticipate funding of a second phase, involving an additional grant of several million dollars, to support a limited number of partnerships that demonstrate a high degree of collaboration and the capacity to develop a joint general education core curriculum, and to continue our policy work on transfer-related issues.

Mr. Chairman, this project responds to one of the specific recommendations of the Commission on Minority Participation in Education and American Life, which was to improve coordination and cooperation among all levels and systems of education so as to boost minority achievement.

In addition, I should note that the Washington Higher Education Secretariat, an organization of 33 associations representing different sectors and functions in postsecondary institutions, has created a Committee on Minority Participation in Postsecondary Education. The committee has sponsored several conferences to discuss policy questions, and has focused on such issues as the establishment of a national information clearinghouse on minority issues, faculty recruitment and affirmative action efforts nationally, and the articulation between community colleges and four-year institutions.

In any systematic effort to improve the education of disadvantaged children, the need for incentives to attract and retain minorities in teaching is a high priority. Specific legislative proposals to achieve this goal have been drafted in recent months in a joint effort by the Forum of Educational

Organization Leaders (FEOL), comprising officers of the major elementary and secondary organizations, and the Higher Education Secretariat.

Because I served as a member of the FEOL/Secretariat Task Force, I would like to describe the proposals for you. They were developed initially in December 1988 at the request of Secretary Cavazos; they were refined this spring and are attached to my statement. Since I understand that other members of the Task Force will testify during these hearings, I will summarize them briefly:

The Task Force recommended three separate legislative authorities: (1) demonstration programs to increase minority candidates for teaching in elementary schools; (2) projects in local school districts to identify and encourage minority students in grades 7-12 to aspire to and prepare for teaching careers; and (3) programs to attract into teaching careers minorities who are now in school support or paraprofessional positions, attending community colleges, or in occupations other than teaching.

We propose that $50 million in federal funds be authorized for the first demonstration programs, which would be matched by nonfederal funds and administered by the states as competitive grants to be awarded to colleges and universities with approved teacher preparation programs. Grants would cover the costs of administration and incentive awards to prospective students to help support their cost of attendance and as performance payments in their initial years of teaching. We propose $25 million annually for awards to the state education agencies to support local projects to encourage minority students in secondary school to prepare for teaching careers. We recommend $20 million annually to fund projects to design teaching career ladders and enable minorities to make career changes to teaching; the projects would be selected in national competition by the Department of Education from proposals submitted jointly by local education agencies and institutions of higher education.

I commend these recommendations to the attention of the Committee for consideration in any legislation that may be developed. I am pleased to note that such programs to recruit minorities into teaching would have a special priority in Chairman Hawkins' bill, HR 2235, the Workforce 2000 Employment Readiness Act. His bill would give particular attention to teacher recruitment and training in funding programs designed to improve the education of disadvantaged children.

I should also note a reservation about HR 2235 as currently drafted. The Education Improvement Fund established under the bill would be created by taxing all federal R&D contracts at one-half of one percent. While this would link the funding of research and the training of future researchers and educators, it would advance one goal at the expense of the other.

We estimate that this would amount to a $55 million annual surcharge on academic research--which constitutes a vital element in any national strategy for building a more competitive workforce--at a time when federal budget stringencies have already left it underfunded, and when the need for renovation and upgrading of research facilities and instrumentation is thoroughly documented. Furthermore, the funding mechanism as presently formulated appears unbounded in two respects: the tax could grow in percentage, and it could be used to support any number of other laudable national goals at the expense of academic research.

Finally, I would remind the Committee that existing federal student assistance programs are seriously underfunded, and that improved funding is essential for any effort to improve educational opportunities for underrepresented minorities. In developing new programs for this purpose, it is important to make sure that they supplement the current programs, without eroding support for their objective of providing assistance to all needy students.

I applaud the Committee for seeking the recommendations of the education community as it begins to develop legislative proposals to address the important challenges of the Workforce 2000 report. I can assure you that we stand ready to help in any way we can, to assure that America's schools and colleges contribute as fully and effectively as possible in building a more competitive work force for the decades ahead.

TASK FORCE ON MINORITY TEACHERS

PROPOSED FEDERAL ACTION TO INCREASE THE NUMBER OF MINORITIES IN ELEMENTARY AND SECONDARY TEACHING

Statement of Need

The number of minority teachers in American elementary and secondary schools is declining, as is the proportion of minority teachers. The decline occurs at a time when the proportion of minority teachers to total teachers is significantly lower than that of the minority students to total students and a time in which the proportion of minority students, especially those at risk, is steadily increasing.

Urgent actions are needed at federal, state, and local government levels and by institutions of higher education to increase the numbers of minorities qualified for and serving in elementary and secondary teaching for the following reasons:

1. To assure that a substantial portion of talented and qualified persons from all racial and ethnic groups are teachers;
2. To increase the number and proportion of minority role model teachers with special impact in helping minority students to succeed in education, at least through graduation from high school, and to pursue higher levels of education; and
3. To increase the number of minority teachers so that all elementary and secondary students will have experience with these role models, thereby advancing multicultural and multiracial understanding and appreciation.

Proposed Action

National leadership is essential. Federal resources must be provided in partnership with states, localities, and institutions of higher education to support initiatives over at least a ten-year period. The proposed action includes three major parts. The first provides incentive awards for minority candidates in undergraduate and graduate study preparing to teach. The second provides support of programs and projects which introduce minority students in grades 7 through 12 to a teaching career. The third provides support for institutions of higher education, in conjunction with elementary and secondary schools, to enable minorities to use career ladders combining study and employment or make professional changes to enter teaching.

These provisions are not the sole means to solve the problem of increasing the numbers of minority teachers, nor are they considered to be the only steps needed to address the comprehensive problems of qualified teacher supply and demand in the United States. They are, however, the highest priority actions we now recommend.

A summary of the three parts of the proposal follows:

I. DEMONSTRATION PROGRAMS TO INCREASE MINORITY CANDIDATES FOR TEACHING IN ELEMENTARY AND SECONDARY SCHOOLS

Purpose: *To increase the number of minority candidates in undergraduate and graduate programs preparing to teach in elementary and secondary schools.*

Eligible Recipients: *Institutions of Higher Education (IHE) compete for Federal demonstration grants administered by the State Education Agency (SEA) under an approved State Plan.*

Description: *A 5-year demonstration program, authorizing $50 million federal funds annually, to be matched 50/50 by nonfederal funds and administered by the States.*

The Secretary of Education would allocate funds to states having approved plans which will increase the numbers of minority candidates in teacher preparation programs. Federal funds would be allocated among the states on the basis of the proportion of minority population of the state to the total minority population of the nation.

Each SEA with an approved plan would conduct a competition open to all public and private undergraduate and graduate IHEs, including community colleges, with approved teacher preparation programs. The SEA would select the most promising proposals which commit the institution to increase the number of minority candidates in its teacher preparation program. Priority would be given to institutions with records of success in enrolling and graduating minority students.

Continuation grants would be subject to annual reporting by the recipient IHE of progress made in achievement of the performance standards established in its project.

(continued)

Grants to IHEs would provide incentive awards to students and the costs of administration and evaluation of demonstration projects. IHEs would make incentive awards to eligible students with a total value of $3500 a year for up to four full-time undergraduate years and $7000 for one full-time year of graduate study. Each incentive award would be used either as a "scholarship" or a "performance payment" or combination of the two as determined by the institution and student. For each student the part of the award used to support the cost of college attendance would be considered a scholarship. The amount could range from $3500 to zero for undergraduate students and $7000 to zero for graduate students. Students using the award for scholarship aid would have to meet the need criteria for eligibility for Stafford Loans under Title IV of the Higher Education Act.

The balance of the incentive award for each year would be reserved by the IHE in escrow for use as a performance payment(s) to be made at the end of each year of elementary and/or secondary teaching completed for which the candidate is obliged to serve.

Performance payments would be non-taxable. If candidates fail to complete their teaching obligation, their escrow accounts would revert to the program and be available for other candidates.

An incentive award would be in addition to any other federal, state, or institutional student aid for which the student is otherwise eligible but the part of the award used as scholarship together with other aid received in any one year could not exceed the cost of attendance in that year. It would not be considered "income" for purposes of calculating eligibility for student aid or taxes.

Incentive awards would be limited to candidates who are in good academic standing, who demonstrate their commitment to teaching by obligating themselves to complete at least one year of service in public or nonpublic elementary or secondary school for each year in receipt of an award as an undergraduate and two years of teaching for one year as a graduate student recipient. Award recipients who decide not to teach must repay the awards received with interest in lieu of teaching.

(continued)

In any year the total potential demonstration grant to an IHE would be based on the proposed number of minority candidates to be increased over the number for the base year (1988-89) multiplied by $3500 per undergraduate or $7000 per graduate student year award. IHEs would have discretion as to the number of students, level of study and distribution of incentive awards among eligible students.

For administration of the State Plan and for evaluation of the demonstration projects, the state education agency would be authorized to use up to 5% of the state's allocation.

II. INTRODUCTION TO TEACHING

Purpose:	*To identify and encourage minority students in the 7th through 12th grades to aspire to and prepare for careers in elementary and secondary school teaching.*
Eligible Recipients:	*Local Education Agencies (LEA) through State Education Agencies (SEA).*
Description:	*Federal funds would support projects in local school districts which would include but not be limited to teaching career exploration programs, introduction to teaching partnerships of LEAs and teacher training programs, work-study, teaching assistant or tutorial programs, "future teacher" clubs or activities and special projects to prepare minority students for entry into teaching preparation programs.*
Implementation:	*$25M per year would be allocated among states on the basis of the minority population percentage in each state to the total national minority population with no state receiving less than $50,000. States would award project funds on the basis of competitive applications from local education agencies.*

III. SUPPORT PROGRAMS FOR TEACHING CAREER LADDERS OR CAREER CHANGES TO TEACHING

Purpose:	*To attract minority candidates to careers in teaching elementary and secondary school who are in school support or paraprofessional positions, attending community colleges, or in occupations other than teaching and seek a career change to teaching.*
Eligible Recipients:	*Institutions of Higher Education (IHE) in conjunction with Local Education Agencies (LEAs).*
Description:	*A nationally competitive program to encourage IHEs together with LEAs to design and implement projects to encourage and enable minorities without preparation and qualifications to teach to have such preparation and gain such qualifications. Projects would include but not be limited to coordinated efforts of IHEs and LEAs for paraprofessionals to prepare for careers as licensed teachers while in paraprofessional practice, teaching career counseling services, public information recruitment activities, identifying promising minority students attending community colleges, and career reentry projects with special professional preparation arrangements.*
Implementation:	*$20M per year administered by the United States Department of Education for nationally competitive IHE applications prepared in conjunction with LEAs and endorsed or commented on by the appropriate SEA.*

Chairman **Hawkins**. Thank you, Mr. Atwell. Mr. Atwell, I would like to ascertain the position of the Council.

My understanding is—I read this, I believe, in the press—that you at the Council have come out in opposition to the proposal now pending. Am I correct?

Mr. **Atwell**. H.R. 2235?

Chairman **Hawkins**. Yes. To the education funding?

Mr. **Atwell**. Mr. Chairman, I was not asked to address the draft legislation itself. We would basically be quite supportive of it.

We do have a reservation about the method of funding, the five-tenths of one percent tax, as it would apply to nonprofit colleges and universities where you would end up funding one important national objective at the expense of another.

We assume that colleges and universities would be taxed on the order of fifty million dollars through that, so we would simply urge that some reconsideration of just that particular provision be made, as you consider the legislation further.

But we are basically supportive of the objectives of the legislation, Mr. Chairman.

Chairman **Hawkins**. I wanted that clarification because the only way we can meet objections is to really identify them and deal with them.

Mr. **Atwell**. Yes.

Chairman **Hawkins**. My understanding is that the bill allows a reduction to an institution, in this instance, institutions of higher education, so as to recognize what you are doing in the field of scholarships to minority and female students and so forth.

It would be reduced, as I understand it, in the proposal. Further, we estimate that higher education stands to gain at least three hundred million dollars per year out of the proposal, which certainly is a substantial amount. It may be that the manner in which it is being done may be improved.

We certainly want to pledge to you to work with you because we feel that the American Council on Education has been so supportive of everything we have done, we certainly do not want to impose on you a burden that you thought should not be. So, let me just simply pledge to communicate and to work with you.

Mr. **Atwell**. I appreciate that, Mr. Chairman.

Chairman **Hawkins**. Any of the members? Mr. Martinez?

Mr. **Martinez**. Thank you, Mr. Chairman.

Dr. McClure, without any adverse reflection on you, I regret that you opened up an area of misunderstanding. I believe it is a misunderstanding which, to me, really illustrates the plight of minorities.

I hope that we can discuss this and we can come together in one voice for the benefit of anyone who has ever suffered disenfranchising from the system because of discrimination.

Rather than trying to gain an advantage one over another for the finite resource that is available to mainstream, what I believe is to mainstream, women and minorities, let me try to clarify one possible misunderstanding or one point that might lead to this misunderstanding of the bill.

I admit I might be wrong, but as I understand the bill, it does not entitle particular schools or universities for funding, per se. It does allow for it in the bill, but that is not the main intent of the bill.

It really, instead, targets students or students will be targeted for financial assistance in specialized education. I do not want to argue about the different historical bases of discrimination for each and every minority group.

It should suffice to say that any effort to protect any individual minority interest or group in pursuit of that finite resource that I spoke of, will really, I think, bring us shame as a nation and to us, as minorities, as a whole.

I suggest, really, that we work together to raise all of our collective boats up with that tide of equality and national prosperity that seems to be moving today. In that regard, I would ask this question.

As I stated earlier, you must be aware—I imagine you studied the bill closely from the original comments that you made—that the Education Improvement Act in this bill establishes scholarship and grant programs for students attending higher education institutions. That really attends the aspect of individual help.

Wouldn't you agree that regardless of the historical basis of discrimination, that any minority in any situation is ultimately going to be discriminated against by somebody who sees them as a threat to themselves. They do not understand that you can raise everybody up and it raises those people with the greatest fear up even higher.

But, that aside, don't you think that there is an opportunity to help? Understand this, too. If we are talking about historical, traditionally, there have been no Hispanic universities or colleges to the extent that they could be compared to the black movement, and that is to be commended.

In that effort, we are attempting to really take a page from your book, not your book, but an ethnic group's book, to try to attain some equality and prosperity in this country. If we are able to do that without harming anyone else, wouldn't you be in support of that?

Mr. **McClure**. Certainly, and I want to apologize to you, sir. Even the implication that I was suggesting what you just said—I had a few minutes to make a statement and I attempted to do that.

In no way did I wish to convey the notion that any kind of differences were being drawn. In fact, my focus was that the bill might be strengthened if it further celebrated the importance of pointing out the needs and aspirations of Hispanics.

Indeed, we share the same common view. Nothing you said runs contrary to anything I said.

Mr. **Martinez**. Thank you.

Mr. **McClure**. I apologize for even conveying that message. I sincerely apologize.

Mr. **Martinez**. Thank you, Dr. McClure. As I said in my statement, if we can discuss this, I think we can go a long way together. Thank you.

Mr. **McClure**. Thank you, sir.

Chairman **Hawkins**. Mr. Sawyer?

Mr. **Sawyer**. Thank you, Mr. Chairman.

Just briefly, Dr. McClure, if you could share with me thoughts and directions on how we might better make use of the data that we collect as a product of the decennial census, it is enormously important in the policy decisions we have to make in the next decade.

Mr. McClure. Thank you, sir. I think the use and possible effect or impact of data are largely functions of who has an opportunity to participate in the collection of data and the ultimate interpretation.

I think there ought to be some structure and vehicle available as part of the process that brings persons of varying backgrounds and perspectives in the same forum, for the purposes of bringing their enlightened views to bear on that data.

The bottom line would be that there ought to be greater inclusion of disparate elements within our society in the further interpretation of data on this particular subject. I think that, heretofore, the base of interpretation has been rather limited and, therefore, the products of this interpretation have been equally as limited.

Mr. Martinez. Thank you, Mr. Sawyer.

I just wish, for the Chairman, to extend his gratitude to you for appearing before us and testifying and your excellent testimony. Your testimony is necessary to build the case that we are trying to build for the need for this bill. Thank you.

Mr. McClure. Thank you, sir.

Mr. Atwell. Thank you.

Mr. Martinez. Our next panel consists of Mr. Edward Jones, President of Corporate Organizational Dynamics, Incorporated; Mr. William Burns of Pacific Gas and Electric Company; and, Christine Kramer, Esquire, Assistant Vice President, Corporate Policy and Equal Employment Opportunity, Meritor Savings Bank.

Mr. Jones, we will begin the testimony with you. We will give you a minute there to get organized.

STATEMENTS OF EDWARD JONES, PRESIDENT, CORPORATE ORGANIZATIONAL DYNAMICS, INC.; WILLIAM BURNS, PACIFIC GAS AND ELECTRIC COMPANY; AND CHRISTINE KRAMER, ESQ., MERITOR SAVINGS BANK

Mr. Jones. Good afternoon, Mr. Chairman, and members of the committee, and thank you for your invitation to allow me to testify here today regarding my views on the American workforce and solutions that must be initiated today to avert a 21st century crisis.

Let me say before I begin that we need more and better educated minorities and women. Education competence without opportunity creates frustration, crushed hopes and expectations and conflict.

Neither education without opportunity or opportunity and demand without adequate pools of educated workers can achieve national economic success. One without the other is worthless.

All people are motivated and maintain hope for workplace success and upward mobility when they see others who are perceived to be like themselves succeeding. Now, it is a major accomplishment that white ethnics in America no longer encounter obstacles to upward mobility.

An examination of reverse discrimination by the U.S. Civil Rights Commission found that among the highly educated, neither discrimination or reverse discrimination are major issues.

The October 1986 Civil Rights Commission study on the economic status of Americans of southern and eastern European ancestry found successive generations of European ethnic groups have made impressive gains in educational achievement and income and, in fact, are now on a par with, or surpass, the economic status of other white Americans, even of British descent. That is quite an accomplishment.

When we go back and review the Congressional Record and see what we were trying to achieve in 1964, it is very interesting. Now, we have been talking thus far about minorities and women who are uneducated and a need of education.

What I have been doing for the past few years is examining the status and experiences and progress of those who are highly educated. So, when we go back and review the 1964 Congressional Record, the original objectives were, and I believe this was Hubert Humphrey speaking.

In the paper which I have submitted, it is fully explained. I think it has got the page of the Congressional Record. It says, and I quote, "Fine Negro men and women with distinguished records in our best universities have been unable to find any job that will use their training and skills. The Negro is the principal victim of discrimination in employment. A Negro with four years of college can expect to earn less in his lifetime than a white man who quits school after the eighth grade. In fact, half the Negro college graduates have only half the lifetime of earnings of white college graduates."

We must applaud the increasing numbers of corporate executives and companies that are supporting education, especially with the emphasis on urban minority schools. Now, this is illustrated by the Business Roundtable support, by member companies of educational policies, such as those outlined and recommended in their April 1988 publication, The Role of Business in Education Reform.

In addition, a June 1989 Roundtable publication, Business Means Business About Education, lists almost two hundred member companies' educational activities and clarifies the issues. It says, "How well we educate all of our children will determine our competitiveness globally, our economic health domestically and our communities' character and vitality."

Now, what we must do, though, is match business support of improved education with equal or greater support for the career success and upward mobility for highly educated minorities and women. Increasing research and data underscores the continued persistence of the core problems cited in 1964 of inadequate upward mobility.

Let me give you a couple of for instances on a smorgasbord of research findings. We all have opinions, so let's look at the numbers of what we are actually finding. For example, in my own research, there is a copy of an article I did in The Harvard Business Review where I actually sampled the experiences and perceptions of black MBAs of leading institutions.

Over 98 percent of black MBA graduates of leading graduate schools of business do not feel that they have equal opportunity in their companies. Ninety-eight percent feel they encounter covert discrimination and over fifty percent feel the discrimination they encounter is overt.

Looking at a Jewish study—because I can't trust myself; we all see what we are looking for—a 1984 study of Jewish MBAs, there is a deep seated prejudice and dislike for black managers. Moreover, there is little government pressure on the internal corporate leadership needed to overcome discrimination.

Consequently, blacks are lagging behind as women make greater progress. The changes have been tremendous for women, but for blacks, it is harder now than it was a few years ago. One white female stated, "We sort of bend over backwards to like them—that is, blacks—but basically, we still don't."

A white male stated, "If a white male had two comparable candidates in terms of ability, one black male and one white woman, consciously or unconsciously, he would pick the white woman."

Now, let me just say this. I can find none of this research that covers everybody. I want to make it absolutely clear that white women have tremendous obstacles to upward mobility. Blacks have tremendous obstacles. Asians have tremendous obstacles.

I can give you statements and research on any group, but I cannot find any study that does them all, so let's not make it seem as if I am picking on one particular group.

Let me look at another 1987 study. This was also done by the B'nai B'rith in Philadelphia, I believe, and these were graduates of Columbia, Temple and two other major business schools. By the way, this was done in order to find out how Jews were doing and the Jews were doing fine, but they found this.

Black corporate careers in the executive world are troubled. Blacks do not receive the level of authority of their non-black classmates. The level of authority of black executives averages 5.4 levels below CEO. Non-blacks average 3.1 levels below CEO. The average salary for blacks was $59 thousand while non-blacks average $90,000.

Blacks were also highly aware of a discriminatory climate. Seventy-five percent of the blacks but only 28 percent of non-blacks reported negative discrimination, a racial division of labor persists and blacks are angry about it.

Now, these are graduate students. We are talking here about the disadvantaged. We are talking about some of the most highly educated now.

Blacks are retarded in their entry—I am continuing with that study—into and rise in the executive suite and are bitterly conscious of this lag. Our survey, An Ethnographic Report on Blacks in the Executive Suite, shows that they are not making this. They know this and they resent it.

Black MBAs are under represented in the pool of executive candidates. Their corporate advancement is slow, their salaries are lower than those of their non-black colleagues. The underlying issue is a continuing caste like position.

The disadvantage of Jews in the executive suite has disappeared. That of women and blacks remains. Clearly, we see different rates of movement in the religious, racial and gender based divisions of labor.

Sloan, MIT, one of the best schools of business. This was a 1989 study. The principal finding of this research was the lack of significant differences between the fifth year compensation of male and the ninety percent of female MBAs who worked full-time in year five.

Five years after graduation, Sloan women MBAs received the same pay as their male peers, although the psychic cost to those women reported in stress and longer hours of work, was higher. However, after two years, the status of minorities started to differ from their white peers.

More minorities were in staff jobs. They had fewer mentors. More were dissatisfied with bureaucracy and red tape and more felt constrained by discrimination. More minorities were only moderately satisfied with their jobs and more were dissatisfied with their performance appraisals.

Nearly all of the minority MBAs reported that they had not been promoted on time along with their white peers. After five years, minorities also tended to work longer hours per week than their Sloan peers.

Twenty years after the entry of significant numbers of black managers into companies, there is disenchantment and concern—This is the authority of this study at MIT—that ceilings have been placed on their upward mobility.

Some may leave the corporate sector for entrepreneurial activities. Others may remain in the corporation but become disengaged from their work. Others realize that labor markets reflect the social norms of a larger society and that pioneers rarely benefit fully.

Discussions with Sloan minority graduates make it clear that employment, even for elite minority managers, is more difficult than for white managers. Minority Sloan MBAs were not as successful as their white counterparts. Race is still a significant factor.

By the way, these Sloan MBAs went to the best high schools, lived in the best neighborhoods, and many of them went to prep schools, so it has nothing to do with that. When they actually compared their educational backgrounds, they were as good as their Sloan white peers, so it is not a class issue.

There are other studies in the extended remarks that I have made. Let me get to the main point. There is one other study I do want to mention and that is In Roads, because In Roads is an educational program supported by businesses.

Businesses are very proud of the In Roads interns, both through high school and college. The problem is that the In Roads interns are finding—and they had a meeting in 1988 to discuss why they could not get upward mobility after completing their education and internships in the companies that hired them. So, it was great through school but once they got into the workplace, they ran into impediments to upward mobility.

In 1989, there are more highly educated blacks and other minority and women with college, advanced and terminal degrees but they are encountering resistance to their success. Many of these highly educated minorities and women are not achieving the expected levels of responsibilities their educations would suggest.

Education without consistently demonstrated opportunity in success and upward mobility is a prescription for failure, conflict and social tensions. The research shows that even the best educated minorities encounter discriminatory restrictions.

While the Rand Corporation said in 1986 that the black elite are now starting to enter corporate America and their raises are going to be just as fast, they are wrong. All of the research disagrees. Of course, that was strictly numbers.

When you actually look at the human experience, which cannot be converted to mathematical formulas, it is a different world, so we have got a problem. We must not think that just education by itself is adequate.

The research shows that the primary issue is not a lack of education or technical knowledge on the part of educated blacks, other minorities or women. The problems are a lack of consistent, long-term leadership commitment, a lack of problem acknowledgment, a lack of internal accountability and inadequate government enforcement.

The locus of exclusion and truncated success revolves around defective organizational policies, practices, habits, traditions, climates, conscious and unconscious beliefs about other groups and cultures that confront even the most prepared minorities and women based on their group memberships, not their competence. Sometimes, they are subconscious, unthinking and without intent.

It is contradictory to attempt to educate workers for increasingly white collar work while imposing and/or expecting limited aspirations for minority and women's success in upward mobility. Winners need to win. Psychologically mature, intelligent people must feel unconfined to places in the minds that are defined in the minds of others.

Increased aspirations for success are inseparable from increased educational achievements. The policy implications are clear. Skinner's pigeons pecked buttons to get corn but when there was no corn, they stopped pecking the buttons.

Like Skinner's pigeons, people peck educational buttons for rewards. Rewards for the final stages of education occur at work. More education is certainly not the answer, when the best prepared, the most highly educated with advanced degrees, are not succeeding.

The motivation for continuing and increasing education is the realization of greater expected pay-offs. This is not happening in many corporate managements. Moreover, if the best prepared with advanced degrees cannot overcome institutional impediments and succeed, there is little motivation for those trapped in ghettos, poverty and despair to attempt to follow the unsuccessful path of those who have done all the right things.

Ultimately, crime and drugs will continue to pay in America if nothing else pays better. Education by itself, without strict enforcement, measurement and accountability, is a formula for more social conflict, frustration and psychological crash landings of people who thought they were going to succeed but do not have the wherewithal to succeed.

Rather than run on, I'll stop there.

[The prepared statement of Edward W. Jones, Jr., follows:]

"AMERICA AT A CRITICAL ECONOMIC AND SOCIAL JUNCTURE"

Statement of Edward W. Jones Jr., President
Corporate Organizational Dynamics Inc.
Before the United States House Of Representatives,
Committee On Education And Labor
June 15, 1989

Good morning, Chairman Hawkins, and members of the Committee. Thank you for your invitation to testify regarding my views on the American Work-force and the solutions that must be initiated today to avert 21st century crisis.

I have sought understanding of how to build productive organizations since I was a student at Harvard Business School. In 1983, I founded Corporate Organizational Dynamics in order to increase my focus and involvement in acquiring this knowledge. I consult, research, educate, and otherwise assist concerned leaders on this issue.

Point One. Educational competence combined with opportunity and subsequently demonstrated success are the two critical ingredients for the American work force and national economic and social prosperity. There seems to be a belief that all we need is more and better education in our work force for national economic prosperity. Let me state unequivocally that such beliefs are wrong.

Education and competence without opportunity creates frustration, crushed hopes and expectations, and conflict. Work force needs and Opportunities without educationally competent workers compromises the work product. Neither education, without adequate opportunity, or opportunity and demand without adequate pools of educated workers can achieve national economic success. One without the other is worthless.

A highly educated white collar work force is a work-force that is in large part inner directed and self motivated. Coercion is not effective in getting people to think or in realizing creativity. Motivation for the highly educated is based on perceived personal opportunities. Achievement is a significant part of the psychologically embedded self identity of workers who complete college and graduate schools. That is why increasing education is directly related to the need to achieve and a person's identity.

So, as work force educational requirements continue to increase, the motivation and effectiveness of such a work force is increasingly rooted in the "Opportunity" to achieve. It is counter to reality to attempt to develop a highly educated work force without a pervasive sense of opportunity. All highly educated workers must be convinced that they will be rewarded for their success. Highly educated workers, in order to strive to their maximum, must be able to answer affirmatively the question: "What's in it for me?

All people are motivated and maintain hope for work place success and upward mobility when they see others who are perceived to be like themselves succeeding. A positive sense of self esteem, a belief that "yes I can," is prerequisite for people to grow, to achieve, and to realize the unique individuality within everyone. A negative self concept leads to defensiveness, fear, avoidance of new experiences, distrust, a lack of growth, stagnation and a retreat from life. Sense of esteem is closely related to the visible prestige and accomplishments that people see demonstrated by others like themselves. So, all people, including women and minorities of color, need to see successful people like themselves in positions of authority and respect.

In the early 1940's, a young Italian-American living in a Boston neighborhood in transition from Irish to Italian expressed this need for self esteem in "Street Corner society," by William Whyte. The young man said, "You don't know how it feels to grow up in a district like this. You go to the first grade - Miss. O'Rourke. Second grade - Miss Casey. Third grade - Miss Chalmers. Fourth grade - Miss Mooney. At the fire station it is the same. None of them are Italians. The police have never made an Italian captain. In the settlement houses, none of the people with authority are Italians. When the Italian sees that none of his own people have the good jobs, why should he think he is as good as the Irish or the Yankees? It makes him feel inferior. If I had my way, I would have half the schoolteachers Italians and three quarters of the people in the settlement. Let the other quarter be there just to show that we're in America."

This was a common experience as European immigrant descendants changed their customs, speech, dress, mannerisms, and thinking to conform to the American social environment as they evolved into a growing pool of Americans who were decreasingly separated by language, dress, ethnic ally distinguishable behaviors, or other visible or identifiable ethnic cultural traits. A commonality of white skin between different Caucasian ethnics and lacking other visibly distinctive differences that were hereditary made this homogenization into mainstream American society possible. But while ethnic white Americans could choose to blend in, colored minorities, did not have this option. They could become highly educated and cultured. They could perfect their language and speech, change their religions, mannerisms, foods, dress, and everything else that was cultural rather than hereditary. But ultimately they could not change their skin and did not have an option of visibly blending in. So, while culturally inseparable from other Americans, they could not and do not "look like" Caucasians.

REVERSE DISCRIMINATION IS NOT A PROBLEM

It is a major accomplishment that white ethnicity is no longer an obstacle to upward mobility in America. An examination of "reverse discrimination," by the U.S. Civil Rights Commission found that among the highly educated, neither discrimination nor "reverse discrimination" are major issues. The October 1986 Civil Rights Commission study on "The Economic Status of Americans of Southern and Eastern European Ancestry" found "successive generations of European ethnic groups have made impressive gains in educational achievement and income and, in fact, are now on a par with, or surpass, the economic status of other white Americans even ... of British descent."

ORIGINAL PROBLEMS TARGETED FOR CORRECTION BY TITLE VII

(More complete excerpts are attached) Senator Humphrey said:

"(W)hat we are trying to do in this legislation, it is to fulfill this great admonition which is the guiding rule of human relations if we are to have justice, tranquility, peace, and freedom. ...

Negroes and members of other minority groups do not have an equal chance to be hired, to be promoted, and to be given the most desirable assignments.

Fair treatment in employment is as important as any other area of civil rights. What good does it do a Negro to be able to eat in a fine restaurant if he cannot afford to pay the bill? How can a Negro child be motivated to take full advantage of educational facilities if he has no hope of getting a job where he can use that education? (F)ine Negro men and women with distinguished records in our best Universities have been unable to find any job that will use their training and skills.

The Negro is the principal victim of discrimination in employment. ...It would be a great mistake to think that this is due solely to Negroes' lower educational attainments. ... The shameful fact is that educated Negroes often are denied the chance to get jobs for which they are trained and qualified. ...Even within their professions, nonwhites earn much less than white people. It is a depressing fact that a Negro with 4 years of college can expect to earn less in his lifetime than a white man who quit school after the eighth grade. In fact, half the Negro college graduates have only half the lifetime earnings of white college graduates.

Regardless of discrimination, all people whether they are white, black, other minorities, or women - both white women and minority women - have a need to see others who are like themselves succeeding at high corporate levels. Who gets ahead; what actually happens in the work place, and not pronouncements of policy are what matters. If people believe that no matter what they contribute, and what they accomplish, they will still be preempted from success and upward mobility, then optimism, motivation, hope, and continued investments in development will diminish and wither. Because people see that it does not matter, and that there is too little reward for the educational sacrifices required.

We must applaud as increasing numbers of corporate leaders take leadership roles in supporting more and better education, many with emphasis on urban minority schools. This is illustrated by the "Business Roundtable" support by member companies of educational policies such as those recommended in their April 1988 publication, "THE ROLE OF BUSINESS IN EDUCATION REFORM." In addition, a June 1989 Roundtable publication, "Business Means Business About Education" lists almost 200 member companies' educational activities and clarifies the issues and stakes. "How well we educate all of our children will determine our competitiveness globally, our economic health domestically and our communities' character and vitality. ...When our young people cannot compete as individuals, we cannot compete as a nation."

The current challenge is to match business support of improved education with similar support for the work and career success and the realization of opportunity for highly educated minorities and women. Increasing research and data underscores the continued persistence of the core problem of inadequate upward mobility. The way the congressional record recorded this problem in 1964 was: "How can a

Negro child be motivated to take full advantage of integrated educational facilities if he has no hope of getting a job where he can use that education? (F)ine Negro men and women with distinguished records in our best Universities have been unable to find any job that will use their training and skills."

In 1989, there are more highly educated blacks, other minority, and women with college, advanced, and terminal degrees, but the are encountering resistance to their success and many of these highly educated minorities and women are not achieving the expected levels of responsibility their educations would suggest. Education without consistently demonstrated opportunity in success and upward mobility is a prescription for failure, conflict, and social tensions.

So despite the fact that equal employment opportunity has been law and a right of American citizenship, for over 25 years, many of the most highly educated minorities and women are still unable to succeed like other similarly prepared Americans.

THE TEMPTATION TO CELEBRATE SUCCESSES WHILE IGNORING PROBLEMS

It is psychologically satisfying to celebrate successes rather than to dwell on problems. In American culture we like to salute and associate with "winners." In February 1988, Black Enterprise Magazine ran a cover story titled "America's Hottest Black Managers," which some observers interpreted as such a celebration of success. But this report in reality refocused the contention and controversy about upward mobility and success in corporate America.

A letter to the "Black Enterprise" editor in June 1988 captured these contentious views. A black manager wrote, "I applaud your story's efforts to share "America's Hottest Black Managers" with black America and for providing a glimpse of those who have made it in corporate America in spite of obvious obstacles. However, we would be making a serious mistake to revel in this relative paucity of collective accomplishments against a backdrop of mass hopelessness, despair and limited opportunity. More important, 'Black Enterprise' did not show to what extent these top 25 managers accept the responsibility of ensuring that more blacks can reach the same levels of success in their companies."

Another signal that celebrations of success were premature was sent by the successful black group vice president and "corporate officer" who said in the New York Times, "I can't take solace about being the first black person in this kind of position, because that says something about our society. There are so many blacks with ability - superior to mine - that have been trapped by a lack of opportunity. When you consider that, you can't be happy."[1]

Success stories are also about individuals and not research trends. We should also note that success stories also satisfy other business objectives. Success is good copy, promotes optimism, and is good business because it attracts advertisers, promotes positive perceptions and satisfies some of the administrative expectations held by the OFCCP for equal opportunity employers. One black executive explained it this way to me: "That success story on "The 25 Hottest

Black Managers," involved 25 managers and 20 companies. 7 of those companies didn't advertise, but 13 companies that had a representative among "The 25 Hottest," placed 30 full pages of advertising in that single magazine issue."

THE ISSUES: RESEARCH TRENDS & STUDIES

AT&T's 1988 Notices of Annual Meeting and Proxy Statements, had two polar propositions on equal opportunity. The juxtaposition of these dichotomous views helps us to understand the issues and stakes.

A shareholder proposal to eliminate affirmative action was put on the prospectus by "The National Alliance," Washington D.C. based white supremacist advocates of Adolph Hitler's ideology associated with the white supremacist Cosmotheist Church.[8]

Their shareholder proposal said that "'Affirmative Action' programs to advance non-whites contribute towards discrimination against qualified white people, and a decline in the quality of a company's work force." Programs "directed towards increasing the proportion of employees from any particular racial or ethnic group through hiring or promotion should be eliminated because ... white employees feel discouraged when the company is seeking to advance non-whites, especially during lay-offs. The mere ...representation of a particular group ...is not necessarily an indication of discrimination ...it may be evidence that the intelligence required to succeed ... is not evenly distributed across all racial and ethnic groups."

Shareowner proposal 4 was about inadequate upward mobility for blacks, other minorities and women at officer and upper middle management levels at AT&T. It asked AT&T's shareholders to require greater accountability and commitment; a description of hiring and performance evaluation/upgrading processes and how they ensure non-discriminatory, comparable rewards for all employees; and to provide a description of the company's upward mobility policy and efforts to attain realistic minority/women representation at upper levels. They were also asked to reformulate Affirmative Action Programs to ensure that, minorities and women did not continue to be underutilized and excluded in the upper levels of corporate leadership.

Underutilization, restricted upward mobility, and blocked executive accession were argued as problematic because "every employee should have the opportunity to go as their talents and motivations will allow," especially because "90% of all new work force entrants to 2000 will be minorities and women."

On April 19, 1989, I attended the AT&T Annual meeting at Radio City Music Hall in N.Y.C. The Chairman advised in answer to a question that two blacks had been hired in the past year and there were now three blacks out of the top 125 officers.

A black male speaker, urged increased accountability. He said that he was a former employee of Bell Laboratories; a 1955 graduate of C.C.N.Y.'s school of technology, and that he was 3rd out of 369 graduates. He had earned his P.H.D. at Cal Tech and joined Bell Labs in 1963. He said that on February 1, 1989, that he had resigned after not being able to get meaningful work in the previous 15 months. He said, "I'm not appealing for sympathy (but) a productive company. I believe blacks are treated better in America than anywhere else - but this was also true of Jews in Nazi Germany. This proposal is about attempts to judge people equitably and removing these decisions from the old boys network and members of the club."

William Pierce spoke for "The National Alliance." He said: "The American people, by a wide margin believe that affirmative action is immoral and unjust. (Applause) Our company should be an enthusiastic leader, not just a reluctant follower in scrapping the outmoded, unfair, and racially discriminatory programs of the 1960's which the American people already have had the good sense to reject." He said, "The comments heard here today are part of an old story that has worked for the past 25 years, keeping affirmative action and other discriminatory programs alive. But it won't work for much longer."

"The white American majority is good natured. They have let themselves be pushed around to a certain extent. They are willing to accept a certain degree of abuse and unfairness, just in order to keep the peace for a while. But not forever. We are getting a bit upset; a bit fed-up. Even the government in Washington as obtuse as it tends to be, has sensed the changing mood of white America. And it would behoove the company to do the same."

CLAIMS OF REVERSE DISCRIMINATION & QUOTAS CAMOUFLAGE BIGOTRY

The subject of equal opportunity is emotionally charged and inadequately researched. Opinions abound and hard data are sparse. Methodologically, it is a difficult issue to research.

In 1978, the legal director of the American Jewish Committee, Samuel Rabinove, recognized that debates over quotas and claims of "reverse discrimination" were attempts to camouflage bigotry. He said, "A personal note: In the course of years of laboring in the vineyard of affirmative action ...it has become clear to me that a good many of those in the pro-Bakke camp were and are 'closet' racists, people who do not want to help blacks, Hispanics or Native Americans. Some are of the same ideological bent as those who, for many years, accepted with equanimity, if not approval, the pervasive rejection and exclusion of people of color from everything good in American society. In their meanness of spirit, they are inclined to blame the victims for their plight and to begrudge them any compensatory or remedial help whatever to enable them to overcome their genuine handicaps. Others secretly share the contemptible views of Dr. Shockley, that blacks, on the whole, are inherently inferior to whites in intelligence and nothing can or should be done about this."[3]

So, as Rabinove observed, and as shown by the ALLIANCE action at AT&T, bigotry hides behind the shibboleths of quotas and affirmative action and white fears of the elusive and largely imaginary "reverse discrimination." So, demagogues like David Duke in Louisiana, former grand wizard of the Klu Klux Klan, who heads the National Association for the Advancement of White People, a rabid anti-semite who advocates resettling American Jews, and to whom Hitler is a hero, as he is to the Alliance, appeals to whites fears and wrong beliefs about "reverse discrimination."

DEFINING MINORITY REALITIES

The Rand Corporation in a February 1986 report titled "Closing the Gap: Forty Years of Economic Progress for Blacks," completed for the Department of Labor reported that "The real prizes in our economic race are won in the private sector, and the 'Black elite' have now joined the game. There is substantial evidence that salary increases and promotions for the 'Black elite' will be at least as rapid as their white competitors... affirmative action cannot be the whole story nor, for that matter, a very large part of it. The principle reason is that the increase in the economic benefits of black schooling began long before the affirmative action pressures of the last two decades....The evidence we have accumulated clearly points to improving quality of black schools as the most plausible explanation for improvement."

This "statistical analysis of wage data in five micro data files from 1940 to 1980 in conjunction with regression analysis while making dependent variables of the logarithm of weekly wages" identified "black education as the key factor elevating the long run economic status of black men." According to this view, there has been so much progress and we are rapidly putting this problem behind us. In the absence of a problem there is no need for solutions.

However, these conclusions are problematic because they are based solely on mathematical models which omit the human experience. But the human experience including emotions, beliefs, feelings and behaviors inseparable from people cannot be reduced to mathematical formulas. The qualitative situational, motivational, psychological and cultural dynamics are prerequisite to understanding quantitative data.

Peter Drucker emphasizes the importance of considering qualitative data in conjunction with quantitative "hard science" data. He sees "two false propositions that impede understanding behavior within organizations: 1) That management is independent of cultural values and beliefs as if it were one of the hard sciences and 2) that the social sciences can be ignored."

Other quantitative data indicates the continuing existence of a racial success gap. For example, the Census Bureau reported that in 1987, household earnings of college educated blacks was only 72% of college educated whites. Black income was $36, 568. but white income was $50, 908.[4] However, this does not prove anything, because it could be attributable to a different mix of jobs for black and white college graduates.

RESEARCH FINDINGS ON THE EXPERIENCES OF THE BEST PREPARED

To achieve clarity, I have focused on the experiences of the best prepared most highly educated non traditional managers over the past six or seven years. Many minorities are neither illiterate nor economically disadvantaged nor are the words "minority" and "disadvantaged" synonymous or interchangeable. However, the usage of these words can create confusion. This focus allows us to transcend opinions that are not research supported in determining educational needs. In addition, by focusing on the "best prepared," we avoid the emotional and theoretical arguments about the disadvantaged while simultaneously holding variables such as intellect, ambition, education, motivation, and class as constants. If the best prepared graduates with advanced degrees from leading academic institutions are not able to succeed, there are policy implications involving opportunity and education for the additional needs of those who are not as well prepared.

STUDY (I) Black Managers: The Dream Deferred. I began researching these issues in surveys and interviews in 1982 and have continued through the present time. I will share some of the original research which was cited in the 1986 article that I wrote at the request of the Harvard Business Review that portrays the experiences of highly educated black managers. The entire article, which is attached, should be read.

This research found that over 98% of black MBA graduates of leading graduate schools of business do not feel they have equal opportunity in their companies; 98% feel they encounter covert discrimination, and over 50% feel the discrimination they encounter is overt. My research and other research shows that the trends on perceived opportunity are distressing even among the best educated.

STUDY (II) **WHO GETS TO THE TOP? Executive Suite Discrimination In The Eighties**[5]

A survey and interview of 75 Harvard Business School graduates from the classes of 1965, 70, 75, and 80 was conducted in 1983 to determine the progress of Jew as corporate executives.

The study found that Jewish males have made progress but much remains to be done before women and racial minorities are granted equal access to all levels of corporate management. "Jews are doing well, but there is a deep seated prejudice and dislike for black managers. Moreover there is little government pressure on the internal corporate leadership needed to overcome discrimination. Consequently, blacks are lagging behind as women make greater progress. The changes have been tremendous for women, but for blacks, it's harder now than it was a few years ago. One white female stated 'We sort of bend over backwards to like them (blacks), but basically we still don't.' A white male stated 'If a white male had two comparable candidates in terms of ability, one black male and one white woman, consciously or unconsciously he'd pick the white woman'."

"Unfortunately, there is a perception of blacks as inferior that is quite widespread throughout the company. Blacks have to work much harder to prove themselves."

STUDY (III) **SUCCEEDING IN CORPORATE AMERICA: THE EXPERIENCE OF JEWISH M.B.A.'s**

This September 1988 study, on upward mobility.[6] was done to evaluate the corporate upward mobility and success of Jews. But it compares religious, racial, and gender discrimination and is therefore informative about our status in creating a level playing field.

M.B.A.'s from Harvard, Columbia, and Drexel Business Schools who graduated in the classes of 1974 and 1979 were studied with multivariate analysis of 444 M.B.A.s. The years of graduation and similar education backgrounds normalize these corporate participants and permit a comparison of the rise into the executive hierarchy of different groups starting from the same educational platform.

Jews were found to be doing well and have had notable success in being mentored by Christian executives. "Christian senior executives are not avoiding Jewish junior executives; 60% of the Jews were mentored by a Christian." In addition, Jewish respondents did not feel they are discriminated against. In fact Jews seem to have advanced more rapidly than Gentiles. The study noted that "It is sometimes said that women are shunted to personnel, blacks to community relations and Jews to the legal office. For Jews, such token assignments do not seem to be the rule."

The study did not uncover anti-Jewish practices, but it did discover racial and gender discrimination.

Almost every paternal grandfather of the blacks was American born in contrast to only 48% of the white population who were third generation Americans. Just under half of the Catholics and nearly three-fourths of the Protestants, in contrast to fewer than a fifth of the Jews, had been North American for at least three generations. In addition, blacks, like nonblack MBAs tended to be at least a second generation with higher education.

However, black corporate careers "in the executive world are troubled. Blacks do not receive the level of authority of their nonblack classmates." The level of authority of black executive averaged 5.4 levels below CEO. Nonblacks averaged 3.1 levels below CEO. The average salary for blacks was $59,000. while nonblacks averaged $90,000. Blacks were also highly aware of a discriminatory climate. 75% of the blacks but only 28% of nonblacks reported negative discrimination. "A racial division of labor persists and blacks are angry about it."

"Blacks try to appear as team players, they do not communicate their unhappiness, except by occasional 'incomprehensible' outbursts. Norms in corporate cultures are the majority that is generally oblivious to the situation and the plight of blacks and other minorities and who may even show their annoyance with the black presence by discrediting minorities. Blacks achieve upward mobility by distancing themselves from their black identity and forming alliances with the few sympathetic whites they discover. Most blacks remain a group apart, inhabiting a social ghetto within the corporation. The dynamics described are familiar to Jews in corporations four decades ago."

Socialization may separate black from nonblack MBAs. But women MBA's "come from backgrounds nearly identical with those of men. They are the social sisters of male MBA's. They have the same racial, parental occupation, educational, and ethnic backgrounds as the men." 59% of the men and 65% of the women say their chances of advancement are as good or better than they had expected.

However, men hold positions of greater authority. White men hold positions which average 3.0 levels below CEO, white women are 3.9 levels below CEO, and blacks averaged 5.4 levels below CEO. Women's salaries are about 75% of the $90,000 that white men earn ($68,000) which compares to $59,000 for blacks. 31% of the women and 33% of the men judge the authority they enjoy better than they expected; 60% of both men and women judged their advancement more rapid than they had expected.

Women with credentials similar to men "earn less and achieve less corporate authority, but do not feel discriminated against in the executive suite."

But blacks are retarded in their entry into and rise in the executive suite and are bitterly conscious of this lag. Our survey and ethnographic report on blacks in the executive suite show that they are not making it, they know this and resent it." Black MBA's are under represented in the pool of executive candidate. The 4.2% in this sample is but half of the proportion of black undergraduates in Ivy League colleges. "Their corporate advancement is slow and their salaries lower than those of their nonblack colleagues. The underlying issue is the continuing caste-like position of blacks in the society which preserves the racial division of labor. De facto neighborhood, school, and church segregation and almost no interracial marriage neither contributes to the cultural permeability of social boundaries, nor aides them in attaining education to qualify on merit in a ration economy. The problem remains political."

"The disadvantage of Jews in the executive suite has about disappeared. That of women and blacks remains. Clearly, we see different rates of movement in these three types, the religious, racial and gender based divisions of labor."

STUDY (IV) MIT SLOAN SCHOOL MBAs

A ten year data collection and study of 380 Sloan Master of Science graduates to compare economic outcomes between men and women was conducted by Dr. Phyllis A. Wallace and published in April 1989. [7]

Compensation was used as the basis of comparison since compensation of salary plus bonuses and fringe benefits is widely accepted as the best measure of upward mobility and success.

The principal finding of this research was the lack of significant differences between the fifth year compensation of male and the 90% of female MBAs who worked full time in year five. Five years after graduation, Sloan women MBAs received the same pay as their male peers although the psychic costs to these women, reported in stress and longer hours of work, was higher.

But after two years, the status of minorities started to differ from their white peers. More minorities were in staff jobs, fewer had mentors, ore were dissatisfied by bureaucracy and red tape, and more felt constrained by discrimination. More minorities were only moderately satisfied with their jobs and more were dissatisfied with their performance appraisals. Nearly all of the minority MBAs reported that they had not been promoted on time along with their work peers. After five years, minorities also tended to work longer hours per week than their Sloan peers.

The net result was that by the end of five years, minority Sloan MBAs average salaries had increased only 29 percent compared to 41 percent for their white MBA classmates. The difference in pay was significant. The top of the salary range in the fifth year was $110,000 for full time Sloan women and $150,000 for men, but only $58,000 for male and female Sloan minorities. Nearly three fifths of minority Sloan MBAs reported that they had to modify their behavior in order to fit into their organizations. Dr. Wallace describes it as "overwhelming" for minority Sloan MBAs to face negative expectations of their success by peers, subordinates, and particularly their supervisors. The most discouraging finding was how long some minority MBAs floundered before they found an appropriate fit.

Dr. Wallace reports that her literature review showed an overwhelming consensus that black managers have not done as well in the corporate world as their white counterparts. So, she attempted to determine why, after five years, minority Sloan MBAs received significantly lower salaries and encountered invisible ceilings in their upward mobility compared to their white counterparts.

Dr. Wallace notes that all of the minority MBAs who had fewer problems had mentors who were also their supervisors. minority MBA survival was attributed to "someone who took a special interest in them." But in all cases, the supervisor initiated the mentoring relationship. Those who were without support from supervisors, peers, or mentors, fought a lonely battle for survival. A cultural deficit did not appear to be one of the differences that shaped minority MBA careers since most of these black managers had attended top quality high schools before coming to Sloan and had similar courses of study while at Sloan. Professor Wallace wrote: "The social requisites of being successful in the private sector certainly embrace social networks, influential family and friends, and few blacks have these even when they have been educated at prestigious schools.

She writes: Twenty years after the entry of significant numbers of black managers into companies, there is disenchantment and concern that ceilings have been placed on their upward mobility. Some may leave the corporate sector for entrepreneurial activities. Others may remain in the corporation but become disengaged from their work. Others realize that labor markets reflect the social norms of the larger society and that pioneers rarely benefit fully. But discussions with Sloan minority graduates make it clear that employment, even for elite minority managers, is more difficult than for white managers. Minority Sloan MBAs were not as successful as their white Sloan counterparts. Race is still a powerful factor affecting upward mobility in corporate America."

STUDY (V)THE STATUS OF MINORITIES IN AMERICAN CORPORATIONS: 1987

Richard Clark Associates, a New York City executive search firm, commissioned a survey of black corporate managers attitudes and opinions to be prepared by the Northwestern University Survey Laboratory in Evanston Illinois. 5000 questionnaires were sent out to a random list of minority managers randomly selected from a master list of 140,000 minority personnel in seven states selected to be studied. 497 questionnaires were returned and analyzed.

The conclusion: "Blacks in the management echelons of a predominantly white corporate world must still contend with racially biased attitudes and practices in 1987. ... black managers report their white counterparts are reverting to color conscious notions that deny equal opportunity and erode two decades of hard won progress."

"Those who believed the commonly held notion that blacks who have entered that rarefied atmosphere do not encounter racial bias ... or that biased attitudes only exist among poorer, less educated whites, may be disabused of such notions. For many blacks, there was a sense of alienation, of not being fully accepted members of the team, of somehow being left out. It is as necessary to have enforced affirmative action program today as it was 20 years ago."

This study also concludes that few corporations have gone beyond pronouncements to actually achieve a reality of equal opportunity for black managers. After almost a quarter century of EEO law, "no company has achieved equal opportunity for black managers." Clark says: "Who are the good guys? There are none. Some companies do better than others, some go through the motions, most do nothing and get away with it."

Sample Respondent views:
* Half stated they had been treated unfairly by employers because of color.

* Half stated some of their white colleagues do not regard them as equal.

* A majority perceive they could not reach a top position at their company because race was a handicap.

* Half had considered seeking new employment because advancement opportunities at their companies were limited.

* Half do not believe their company is deeply committed to equal opportunity in hiring or advancement.

* A larger proportion think the opportunity for blacks to obtain management positions is less today than it was 5 years ago.

* 44% of the respondents believe the situation for blacks at all levels has gotten worse.

* The most frequent reason for negative assessments given is the ef-

fect of the Reagan administration attitudes and policies and a concomitant corporate retreat from adherence to principles of equal opportunity and a resurgence of prejudice.

- 56% felt they did not get informal information; 71% think they are underutilized; 57% indicate that upper level whites do not accept blacks as equals; 71% think race is a factor in personnel decisions.

- 51% felt affirmative action programs have helped compared to only 3 % who felt they had been a hindrance. 89% said if affirmative action programs were eliminated, minorities would benefit less.

STUDY (VI) **ENSURING MINORITY SUCCESS IN CORPORATE MANAGEMENT**[8]

This book by two professors of organization grew out of a 1984 Rutgers Graduate School of Management conference on the status of minorities in corporations.

This analysis finds minorities under represented at middle management and almost nonexistent at top management positions. The data suggests minority managers are over-represented as professionals and under-represented in top management and future prospects do not indicate a dramatic change. The authors say the situation for Hispanics and Asians is more likely to improve than for blacks because between 1976-77 to 1984-85 Hispanics enrolled in higher education increased 20.4%, and Asians by 54.4%. But blacks decreased by 19.2%.[9]

There are two different views about minority advancement. One story is that told by black managers, this story varies for other minority groups and for minority women. The other story is that told by white managers, especially those at top levels. These stories are diametrically opposed to each other on many dimensions.

Top level white managers, "although often not admitting it in public," state they cannot find "qualified" minority candidates. They argue that black managers have not received the same degrees or educations that lead to top corporate jobs and many minorities wind up in human resources because that matches their backgrounds and educations not because the company pigeonholes them. White managers feel minority managers are less well educated, have lower technical and writing skills and because they are more dissatisfied, they are less loyal and more difficult to manage. "There is a tendency for most white managers to talk as if their companies are colorblind and there is even impatience in talking about this issue which they see as part of history not the present."

A survey of 218 top firms found that companies most frequently mention the lack of "qualified" minority candidates as the biggest obstacle to progress. Whites and males were likely to view their companies as being successful in advancing minorities and less likely to see continuing structural or organizational problems in their firms. Minorities themselves are seen as the problem not the firms policies, practices, culture, climate, or structural obstacles.

Minority managers have a strongly differing and pessimistic view of corporate commitment. Minority managers strongly reject white corporate manager views that insufficient qualified minorities explain the lack of progress, and see this explanation as a smokescreen which hides discriminatory and biased evaluations of minority performance. They feel that this is a matter of policy and practices not just time. They felt that minorities face an invisible ceiling and had done their part in preparing themselves and the responsibility now lay with companies; that without clear commitment by top management, nothing would happen. Minority managers were particularly concerned about the limited accountability of middle managers for equal opportunity yet the crucial role middle managers play in advancing minorities.

A survey of 161 minority MBAs, 95% black, who had graduated between 1969 and 1974 and was compared to a previous study of white MBAs. To see whether the expected benefits from having earned an MBA were being realized. "The most discouraging result concerning job progression compared to white counterparts was that 70% of blacks were in trainee or first level supervisory positions but only 27.4% of whites were in similar entry level positions." Salary progression was also slower than for whites; and black MBAs quickly lost ground to similar white MBAs. If minority managers are to be able to grow and advance in organizations, processes must be structural that attack the organizational practices that contribute to discriminatory treatment.

The view of black managers is that they are as well qualified as white managers, having gone to the same schools, and their inability to succeed to top executive levels is due to discrimination. Black managers point out that after middle management all people are basically qualified and politics and culture determine who succeeds. Black managers also say that many white managers are incompetent or have gotten their positions through politics and friendships rather than merit.

The authors cite at least three issues that must be considered to put this analysis into proper context: 1) all minorities are not the same; 2) the problems of minority men are not the same as those of minority women; 3) not all minorities are disadvantaged.

It is critically important to understand who is defined as a minority. "Some personnel directors tended to include within the minority category all foreign born persons with dark skin, including in many cases Indians (from India) as black, Filipinos as Hispanic, Middle Easterners as Asian, etc. Given that many immigrants to the U.S. are those with more education and occupational skills, it seems unreasonable to include them as American born minorities."

The two white female authors point out that women as a group are a 'protected class' and some people even use the term 'minority' to refer to all women. "Some people even point to evidence of disadvantage and discrimination for women and believe that all women should be categorized as minorities."

Each segment of Hispanics has "different characteristics, problems, and opportunities. By and large Spanish Americans, like Italian

Americans, Irish Americans, German Americans, and so on, are not "Hispanic," in the sense of being a minority in this country. Rather, the families of many of these people have been in the U.S. for generations and have been fully assimilated, although they have maintained identification with both the language and culture of Spain.

There is a continuing consciousness by Asians, although they outperform whites academically, that they are discriminated against in corporations. Asians have not always felt corporate doors were open to them because of their minority status.

There is an additional set of differences based on minority gender differences such as differing levels of comfort or different career paths that contribute to job segregation based on gender. "Despite what seems in general to be true for minority women compared to minority men, there is some evidence that minority women are favored in the labor market over minority men. ...if one controls for ethnicity and education, minority women do relatively better than minority men compared to similarly situated whites, but in all cases, minority women still earn less than almost all minority and non-minority men."

Half of the ten minority discussion groups also "noted the importance of the current political, social, and economic environments shaping career prospects of all managers. Of particular concern have been the actions of the Reagan administration to change the direction of affirmative action, and even more so, the perceived lack of enforcement of existing affirmative action legislation. Many thought their own, as well as other corporations, would not continue being concerned about the advancement of minority managers without such external pressure, and felt concerned that discrimination would again become more accepted in informal decision making if not formal policies. Aside from the legal environment in which corporations operate, there was also recognition that the social environment may have shifted toward a more conservative direction, with a consequent impatience regarding equal opportunity and affirmative action."

Companies participating in the survey do not feel they can develop and promote the minority managers who currently fill their middle management positions into upper management. They feel they need to go outside the organization to find qualified candidates.

This raises the issue of whether there really is a problem finding qualified minorities or this perception rationalizes slow progress?

OTHER DATA AND INDICATIONS

2) The American Assembly of Collegiate Schools of Business, a non profit organization of over 800 educational institutions carried out a Program to Increase Minorities in Business in 1985 because "there aren't enough talented minorities in management." The PIMB focused on four categories of identified challenges, including "improving the upward mobility of minority managers."

3) The INROADS experience graphically illustrates that education

without opportunity is problematic. INROADS has over 1000 sponsoring corporations and more than 1400 minority graduates pursuing professional and managerial careers. Four year College internships combine summer work experiences at sponsoring companies with year round college studies. Sponsoring companies pledge to develop career opportunities for each intern and after graduation an average of over two thirds of each years graduates accept full time positions with sponsoring companies.

But after completing their educations, work success and upward mobility was seen as problematic. In 1988, a conference was convened including senior managers and representatives of sponsoring companies, minority graduates of the program, and INROADS staff to explore "possible reasons for the lack of progress by minority professionals. Some problem areas identified were:

1) Cultural habits, traditions, and norms transferred from wider society into firms. Devaluing people of color; competition between white women and minorities; a refusal to acknowledge that discrimination still exists; the risk to those minorities who are honest and candor with their companies that their careers will be ended; the view that assertive minorities are "out of their place;" a pervasive lack of trust by everyone.

2) Subjective and pervasive corporate politics. Weak career development; inadequate accountability or penalties; a lack of translation of verbal commitments into organization wide policies and practices; disparate impact of downsizing on minorities; limited access to executive elite networks; no serious research into nature of organizational obstacles; inadequate mentoring.

3) A premise that economic growth does not require inclusion of American minorities.

CONCLUSION:

The research shows that even the best educated minorities encounter discriminatory restrictions. The Rand Corp. view in error.

The research shows that the primary issue is not a lack of education or technical knowledge on the part of educated blacks, other minorities, or women. The problems are a lack of consistent long term leadership commitment, a lack of problem acknowledgement, a lack of internal accountability, and inadequate government enforcement. The locus of exclusion and truncated success revolves around defective organizational policies, practices, habits, traditions, climates, conscious and subconscious beliefs about other groups, and cultures that confront even the best prepared minorities and women based on their group memberships; often subconsciously, unthinkingly, or without intent. It should be noted that it is difficult to determine with certainty the existence of "intent."

There are varying unspoken assumptions about members of each group that affect perceptions, attitudes, behaviors, relationships, experiences and careers. Individuals from different groups face different degrees of difficulty. Public behavior, policies and practices that discriminate can be confronted. But it is difficult if not impossible to confront unstated assumptions.

Those who physically conform to established precedents and models and those most like those who are already in positions of power and prestige in the executive elite receive preferential social and psychological support and experience preferential success and upward mobility. Who succeeds and gets rewarded is important. We are what we do not just what we say. We must define, understand, and control the different obstacles and the different degrees of difficulty that impede Americans on the entire spectrum of our diversity from achieving their maximum limited only by themselves.

America's goal is equity for all individuals without advantage or disadvantage. Single group or self interest based approaches are therefore problematic because group interests must be transcended in the interests of holistic organizational and national equity and well being. Exclusive solution of the problems of one group whether the group is women, Asians, Hispanics blacks, or any other group deficient.

Education is certainly a critical priority for American productivity and for our social progress. In fact education and productivity in our increasingly white collar economy are inseparable. However, progress in education while work success remains elusively unattainable or insufficient is a formula for social conflict, despair, and hopelessness. We risk social tranquility, if equal opportunity is abstract and unachievable. America must define and realize those policies that provide a level playing field of opportunity for all Americans and stand firm because these are the values that the united states of American stands for.

THE IMPERATIVE OF EFFECTIVE ENFORCEMENT

While the opportunity for minorities and women to succeed is a matter of economic, social, and moral necessity, useless regulations are expensive and time consuming. Yet, the highly charged issue of equal opportunity for diverse people based on objective measures of competence is an opinion filled, emotion laden, anxiety producing subject involving egos, fears, and perceived self interests.

Enforcement in creating equal opportunity has much the same effect as enforcement of a 55 mile per hour speed limit. Driving at a comfortable speed is not seen as a moral issue nor is acting naturally toward those most like or unlike yourself. If speed limits which are not emotion laden nor visceral issues in the same manner that equal opportunity is, becomes meaningless without enforcement, we can understand that the charged issue of equal opportunity requires unequivocal enforcement if we are to begin to make consistent progress.

Laws are deterrents. Before people will violate the law, they will conduct a formal or informal risk benefit analysis. Reducing the law or enforcement communicates that minorities or women do not have obstacles to their success which contradicts the research findings and encourages Nazi and other such groups like The Alliance. Indifference, looking the other way or winking at discrimination in an absence of enforcement is defacto sanction and approval. While legal confrontations over discrimination are problematic. As long as human frailties such as greed, selfishness, envy, resentment, bigotry, hatred, and efforts to preempt others so we can "win" continue to be realities of life, we need both strong laws and enforcement.

If the threat of litigation carries sufficient risk of serious image or financial impact on a firm, its affect is to get top level executive attention which influences the behavior and motivations of lower managers. However, long term progress requires top level executive knowledge, leadership, commitment, and management. The climate of equity and trust and a zone of comfort that supports open discussion is not created in acrimonious confrontation, threat, and litigation. Conversely the data indicates that the absence of strong laws or enforcement will perpetuate employment discrimination promote regression. The organizational behaviors experienced will be like the behaviors of drivers where speed limits are not enforced.

ATTEMPT TO COORDINATE AND ENCOURAGE RATHER THAN CONFRONT BUSINESS

Utilize a push pull approach. Rewards, recognition, and cooperation and other attempts to pull companies toward progress should be given priority over last resort "push" tactics of litigation and confrontation. This should be a non-partisan effort. Executive branch officials, particularly president Bush, should be encouraged to assume leadership.

The President said "I believe in a society that is free from discrimination and bigotry of any kind. And I will work to knock down the barriers left by past discrimination, and to build a more tolerant society that will stop such barriers from ever being built again. ...I believe in giving people the power to make their lives better through growth and opportunity. ...We must extend American leadership in technology...improve our educational system, and boost productivity. These are the keys to building a better future."

Coordinate executive and legislative efforts such as encouraging president Bush to invite CEO's of leading companies; the deans of leading schools of business and the leading organizational theorists to focus upon and resolve this issue line an organizational "Manhattan Project." Pull with education support, research, organizational design, pedagogical upgrade and revisions. Convene meetings of leading educators with the President in Washington to focus upon theory research, creation, upgrading, and dissemination.

No one can manage what is not recognized nor understood. Behaviors that exclude are learned. Education on inclusive organizational behaviors must also be learned. Education is a critical success variable, the key to progress. Organizational progress in realizing equitable inclusive American organizations based on competence rather than comfort, habit, and tradition is not adequately researched, theorized, written about, taught, or communicated.

Increasingly firms are seeking help. CEO's and other leaders need knowledge to successfully manage these "Dynamics of Differences."

This data is not in books, is not considered in organizational theory, is not being researched in PHD programs, is not taught at leading business institutions and is not in MBA or executive curriculums. Unrealistic assumptions of work place homogeneity prevail, and obfuscate reality. So, we must not categorize this issue as one of simple bigotry or indifference. There are many concerned CEO's and other executive leaders, some of whom have asked me sincerely in the midst of deep frustration what they should do. So, the problem in many instances should not be categorized simplistically. In fact complexity in an absence of adequate focus of intellectual talent is one of the major obstacles.

But, while educational initiatives are needed, nevertheless, not one American company that has solved these challenges on an ongoing institutional basis has been identified. So, clearly, mere concern or awareness by itself is not enough. American business is acutely in need of rigorously acquiring and utilizing knowledge to manage these organizational design and behavior issues in a serious and priority businesslike manner as they would all other matters of business success and survival.

CONCLUSIONS

The evidence indicates that color has historically created dilemmas that juxtaposed our national values, rational policy choices, and our actual behavior. Once again, our nation is faced with such a situation. In 1903 America wrestled with fear and reluctance on educating blacks because docile workers were desired but educated thinking people were increasingly required but more difficult to control.

One observer wrote: "to educate a working man, and not to educate the man, is impossible. If the United States wants intelligent Negro laborers, it must be prepared to treat them as intelligent men."[18]

Herein is a parallel to the locus of a critical contemporary contradiction: It is mutually exclusive to seek educated and motivated workers for increasingly white collar work while imposing and/or expecting limited aspirations for minority and women's success and upward mobility. Winners need to win. Psychologically, mature intelligent people must feel unconfined to places defined in the minds of others. Increased aspirations for success are inseparable from increased educational achievements.

A lack of qualified minority managers is suspect as research shows that the minority graduates of even leading business schools are consistently falling behind their similarly educated classmates. It is disquieting that while not widely publicized, hopelessness is increasingly permeating the ranks of many of even the most elite highly educated nontraditional managers in corporate America.

Companies are organizational, work, social, and cultural systems. Companies and programs within companies to expand opportunities cannot be understood outside of such a comprehensive interdependent context. Individuals, no matter how extraordinary, do not exist in organizational vacuums. Individuals interact with other individuals as individuals and as social group and work group members. Individuals are key; group dynamics are key; intragroup behaviors are key; intergroup behaviors are key; organizational cultures are key; organizational leadership is key; technical knowledge is key; the values of organizational leaders is key; the motivations provided by government review, regulations, policies, and penalties are key. Some individual statuses are earned and others are socially attributed by coworkers and colleagues in a constant process of invidious social evaluations. In organizations, individuals are interdependent, not independent.

Consequently, policies with a singular focus on individual education and preparation tend to overly concentrate their focus on the inadequacy of individuals or groups and ignore or understate the vital importance of the organizational systems and work milieu. This view ignores the fact that the locus of control may not be within an individual. Such views of the work place are specious and encourage companies to go off in wrong directions. Reports are problematic that ignore the systems contexts of organizations and give the impression that individual actions like a little mentoring and/or a little minority outreach or education will make progress and move toward resolution. Arbitrary acts either independently or in arbitrary combinations with other acts that are not based on prescription to problem analysis will not fix these problems.

Government organizations also require technical understanding if they are to set policy directions and provide guidance to business.

Companies must receive encouragement and validation from highly influential sources such as government. If policy and advice from such sources does not require that companies accept their control and shared responsibility over work place outcomes, there will be little if any progress. Companies that make a number of individual acts without understanding this issue as a systems challenge in which factors are interdependent can be predicted to have inconsistent and limited progress.

High prestige managerial work is a high priority because it involves life opportunities and experiences of many of America's most ambitious, highly motivated, intelligent, and well educated contenders from across the entire spectrum of our diversity. Trends in this arena, dispute excuses of inadequate education, motivation, or class as explanations for limited success. This arena represents America's best case and our cultures most embedded core problems. If we can't realize fairness or implement our stated values here, there are dire national economic and social implications.

Ironically, research also finds that the key to white collar productivity is the perceived relationship between contributions made and the rewards received! Coincidentally, forecasts are that 85% of all new entrants to the work force will be minorities and women. Clearly, American productivity and economic prosperity depends on our ability to integrate minorities and women into an increasingly white collar work force.

More education is always desirable, but education by itself without opportunity, will not be adequate and sufficient for national progress. Overwhelming research shows that even the best prepared blacks, other minorities, and women to varying degrees, are not experiencing the career success that motivated their educations. The motivations for higher education are anticipated career successes, rewards, and upward mobility.

The policy implications are clear. Skinners pigeons pecked buttons to get corn, but when there was no corn, they stopped pecking the buttons. Like skinners pigeons, people peck educational buttons for rewards. Rewards for the final stages of education occur at work.

Unless all highly motivated, educated and otherwise prepared Americans receive rewards and have access to the opportunities that make their educational efforts worthwhile, the motivation to continue such non-rewarding educational efforts is lost.

More education is certainly not the answer when the best prepared, the most highly educated, with advanced degrees are not succeeding. The motivation for continuing and increasing education is the realization of greater expected payoffs. This is not happening in many corporate managements. Moreover, if the best prepared with advanced degrees cannot overcome institutional impediments and succeed, there is little motivation for those trapped in Ghettos, poverty and despair to attempt to follow the unsuccessful path of those who have done "all the right things." Ultimately, crime and drugs will continue to pay in America if nothing else pays better!

Small firms may create numerous jobs, but progress in upward mobility and success is particularly important in the very largest national and international blue chip competitor firms, because these are the companies that have the large threshold requirements, the "minimum table stakes," required to compete internationally and to win. Table stakes include critical masses of financial, technological, human and other resources used by the contestants in todays international arena in which not only companies but nations, coordinate, plan, underwrite, ally with and otherwise vie for success.

America's litmus test is occurring within the high prestige managerial ranks of major corporations. High prestige managerial work involving the best prepared is America's cutting edge; the bellwether of our future white collar productivity and racial, gender and religious relationships between groups. The barometer is our ability to succeed mutually and simultaneously; as individuals; and as group members; within high prestige positions. High prestige occupations like managerial and executive work are the juncture of America's most profound realities. High prestige work trends show the relative importance and centrality of our at times conflicting values; what prevails when cultural contradictions collide; what our national culture values the "most" as reflected in what people actually "do" rather than in what they just say.

Not only will work-place developments determine economic vitality, military security and America's "place" as a world class 21st century nation, the work place will also effect the character of American society. Nowhere but as they work together, do white, black, Hispanic, and Asian, women and men, require such high levels of interdependence and trust; often in unfamiliar roles with members of different races, colors, ethnic, gender, or religious groups. Roles as bosses, subordinates, or peers with people who have never before been similarly related to, transcend history and stereotypical expectations.

A timely reminder of the strategic relevance of the success of the best prepared has been underscored by recent articles. The Wall St. Journal of January 23 in focusing on world business and economic leadership noted that "Economic strength ultimately rests on human resources. ...America has the advantage. While Japan ...works hard to maintain its racial purity by closing its doors to outsiders, America's human resources are replenished by waves of immigrants ...while Japan largely excludes women from its work force, America has led the industrial world in recognizing and using the talents of its women. ...(W)hile "Japan stands for no political ideal beyond its own economic self-interest,... America's major strength isn't its military or even its economic might, but rather its democratic ideal (for) countless millions around the world..."

RECOMMENDATIONS

The key issue for American companies is whether past and lingering cultural legacies will preempt future opportunities. The critical success determinant will be our ability to educate and develop executive leaders capable of understanding and managing productive heterogeneous world class organizations for the 21st century. A national full court press inclusive of all institutions should be considered.

The first requirement is leadership from the top - nationally, politically, and institutionally from academia, major companies, business organizations, and individual companies. Without this step, there is no second step. The second step is objective and informed problem identification and analysis. Consistent enforcement of laws and consistent application of enlightened policy will also be important.

1) Create a bipartisan, non ideologically based, organization that will satisfy the original charter of the Civil Rights Commission. This organization must be driven by objectivity and fact in research and problem identification. Assure that politics or ideology are subordinated to integrity and competence.

2) Greatly expand and professionalize the existing research. Create sources of funding that assure objective research can be focused on specific areas in order to make realistic evaluations and analysis.

3) Provide the means for widespread dissemination of research findings to assure that fear, self interests, and paranoia do not contribute to tensions by allowing people to believe they are unfairly losing status to other groups.

4) Consider a new control and reporting system that measures beyond the bulk numbers and percentages and identifies, turnover, promotion

rates, assignment centrality, rates of accession, trends in the feeder pools of future managers, and other meaningful, indicators of progress. Today, there are no reliable measures of the trends in equal employment despite over 20 years of law.

5) Specifically identify, study, and define the means of overcoming or controlling the specific common and the unique obstacles facing each group of Americans. If we are to create a level playing field, we must know what obstacles have to be leveled. These issues vary in magnitude and intensity for members of each group.

6) Explore methods of displaying bipartisan leadership on the issue of the "rightness" of America having, implementing, and realizing those policies that will move toward a united, socially cohesive, and tranquil society. Include key corporate leaders in this process in order to allow companies the opportunity to demonstrate sincerity and positive individual and corporate role models. Motivate companies to be innovative in their problem solving by recognizing their efforts with public acknowledgment.

7) Create the opportunity for companies to be honest without penalty. We need a comfort zone where both corporate achievements and failures can be openly discussed beyond the veneer of appearance and image.

8) Give special attention to how to educate future executive leaders in colleges and graduate schools on the dynamics that take place between diverse people in heterogeneous work environments. Even the most well intended managers and companies cannot manage what we do not recognize, accept or understand.

(25)

ORIGINAL OBJECTIVES AND PROBLEMS TO BE CORRECTED BY:

THE CIVIL RIGHTS ACT OF 1964

(EXCERPTS FROM THE CONGRESSIONAL RECORD)

Mr. Humphrey (March 30, page 6528)

In opening the debate today on the subject of the Civil Rights Act the distinguished Senator from California (Mr. Kuchel) and I will attempt to lay the affirmative case for the bill before the Senate.

Today is the 94th anniversary of the ratification of the 15th amendment. By coincidence, the Senate opens debate on the substance of the pending bill, the civil rights act, on this the 94th anniversary of the 15th amendment, which was certified as adopted on March 30, 1870.

The 15th amendment is very short, but like the Gettysburg address, it is of continuing historic significance and highly important. It reads as follows:

(page 6529) I cannot overemphasize the historic importance of the debate we are beginning. We are participants in one of the most crucial eras in the long and proud history of the United States and yes in mankind's struggle for justice and freedom which has gone forward since the dawn of history. If freedom becomes a full reality in America, we can dare to believe that it will become a reality everywhere. If freedom fails here - in America, the land of the free - what hope can we have for it surviving elsewhere?

As I prepared to speak today, I went to the scriptures to find the golden rule in the Gospel of St. Matthew. The Golden rule exemplifies what we are attempting to do in this civil rights legislation. ...This has been paraphrased in the common language that we use so often as: "Do unto others as you would have them do unto you."

If I were to capsule what we are trying to do in this legislation, it is to fulfill this great admonition which is the guiding rule of human relations if we are to have justice, tranquility, peace, and freedom. ...

(page 6547) At the present time Negroes and members of other minority groups do not have an equal chance to be hired, to be promoted, and to be given the most desirable assignments. They are treated unequally in some labor unions and are discriminated against by many employment agencies.

Fair treatment in employment is as important as any other area of civil rights. What good does it do a Negro to be able to eat in a fine restaurant if he cannot afford to pay the bill? What good does it do him to be accepted in a hotel that is too expensive for his modest income?

How can a Negro child be motivated to take full advantage of integrated educational facilities if he has no hope of getting a job where he can use that education? We all know of cases where fine Negro men and women with distinguished records in our best Universities have been unable to find any kind of job that will make use of their training and skills.

The Negro is the principal victim of discrimination in employment. According to labor department statistics, the unemployment rate among nonwhites is over twice as high as among whites. More significantly, among male family breadwinners, those with dependents to support, the unemployment rate is three times as high among nonwhites as among whites. And although nonwhites constitute only 11 percent of the total work force, they account for 25 percent of all workers unemployed for 6 months or more.

Discrimination also affects the kind of jobs Negroes can get. Generally, it is the lower paid and less desirable jobs which are filled by Negroes. For example, 17 percent of nonwhite workers have white collar jobs; among white workers the figure is 47 percent. On the other hand, only 4 percent of the whites who are unemployed work at unskilled jobs in nonagricultural industries.; among nonwhites the figure is 14 percent.

It would be a great mistake to think that this situation is due solely to Negroes' lower educational attainments - although the educational factor undoubtedly has a good deal to do with this problem. The shameful fact is that educated Negroes often are denied the chance to get jobs for which they are trained and qualified. A recent study revealed that only 13 percent of all nonwhites with technical training held jobs on which they used that training, compared to 60 percent of all workers. Eighty percent of all white college graduates have professional, technical, managerial jobs, but only 70 percent of Negro college graduates have such positions commensurate with their education. At lower educational levels the situation is worse. Only 2 percent of white women who have graduated from high school but not completed college are domestic workers, but fully 20 percent of Negro women with this much education can find only domestic work.

Even within their professions, nonwhites earn much less than white people. It is a depressing fact that a Negro with 4 years of college can expect to earn less in his lifetime than a white man who quit school after the eighth grade. In fact, half the Negro college graduates have only half the lifetime earnings of white college graduates. (A Table was inserted on page 6547 showing:

Estimated Lifetime Earnings Of Males, By Color from 18 to 64

	White	Nonwhite	Nonwhite as % of white
Total	$241, 000	$122,000	51%
Less 8 years	$157, 000	$ 95,000	61%
8 years	$191, 000	$123,000	64%
High School 4years	$253, 000	$151,000	60%

College

1 to 3 years	$301, 000	$162,000	54%
4 years College	$395, 000	$185,000	47%
5 years or more	$466, 000	$246,000	53%

(Senator Clark page 7220 when being questioned on these figures said:"The chart shows that the lifetime earnings of a white man in the labor force who has completed only the elementary school would be more during his lifetime than the earnings of a Negro who had completed 4 years of college. That is why the bill is here, so that we can open up areas of employment for Negroes to which they have been denied access for the past 100 years."

(page 65480) The crux of the problem is to open employment opportunities for Negroes in occupations which have been traditionally closed to them. This requires both an end to the discrimination which now prevails and an upgrading of Negro occupational skills through education and training. ... They are as interdependent as the chicken and the egg and must be attacked simultaneously. Negroes cannot be expected to train themselves for positions which they know will be denied to them because of their color. Nor can patterns of discrimination be effectively broken down until Negroes in sizable numbers are available for the jobs to be filled.

Mr. Kuchel R. California (page 6562 March 30)

To secure and maintain a job in our industrial economy places a premium on education and on skill. ... Our country must utilize to the fullest the talents and skills of each of our citizens, regardless of his race. If a Negro or a Puerto Rican or an Indian or a Japanese-American or an American of Mexican descent cannot secure a job and the opportunity to advance on that job commensurate with his skill, then his right to be served in places of public accommodation is a meaningless one - a right which can seldom be exercised when there is a lack of money. And if a member of a minority group believes that no matter how hard he studies, he will be confronted with a life of unskilled and menial labor, then a loss has occurred, not only for a human being, but also for our nation.

The outlook has been dismal as they try to overcome the last hired, first fired principle which seems to rule their daily life. What jobs they can secure are usually interwoven with periods of unemployment. Negro citizens have consistently fallen behind white citizens in terms of employment. In 1947, for example, the nonwhite unemployment rate was 64 percent higher than the rate for white workers. In 1962, it was 124 percent higher. Generally, in the last decade, unemployment has been twice as heavy among employable Negroes as it has been among whites. While non whites represent 11 percent of the total civilian labor force, they represent more than 25 percent of the long term unemployed; those who have been out of work more than 26 weeks.

A bipartisan majority of the Senate Committee on Labor and Public Welfare, in reporting S. 1937, the Equal Employment Opportunity Act, on February 4, 1964, noted after a careful study of the job discrimination faced by the nonwhite American, these key facts:

1. The nonwhite college graduate on the average can expect to earn less than the white pre-high-school dropout.

2. Three- fourths of all nonwhites in their lifetime in the labor force, irrespective of talent, training, educational attainment, or skill, are compelled to accept jobs in the unskilled or semiskilled blue collar area at low wages well under those paid to the white.

1 **"Blacks In Business Get A Tantalizing Glimpse Of The Top," page E5, August 8, 1988 New York Times**
2 New York Times March 21, 1988, page A17
3 **BAKKE'S IMPLICATION by Samuel Rabinove, Legal Director for the American Jewish Committee in MOMENT September, 1978.Reprinted by the American Jewish Committee, Institute Of human Relations 165 East 56 St. New York**
4 "Opinion Business," Section 3, Newark Star Ledger, June 11, 1989.
5 Who Gets To The Top? Executive Suite Discrimination In The Eighties. Richard L. Zweigenhaft, The American Jewish Commitee, Institute of Human relations, 165 East 56 St., New York, New York
6 Succeeding In Corporate America: The Experience Of Jewish M.B.A.'s. Samuel Z. Klausner. 1988 By the American Jewish Committee.
7 MBAs ON THE FAST TRACK: The Career Mobility Of Young Managers; Ballinger, New York, New York, (a subsidiary of Harper & Row).
8 In Press. To be published in 1988. Donna E. Thompson and Nancy DiTomaso, Rutgers Graduate School of Management, Newark New Jersey
9 Ibid quoted from the Wall St. Journal September 23, 1986
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Black managers: the dream deferred

Edward W. Jones, Jr.

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Black managers: the dream deferred

Edward W. Jones, Jr.

In force for a generation, equal opportunity laws have brought blacks in large numbers into corporate managerial ranks. Starting from almost total exclusion, blacks now hold positions of responsibility, with prestige and income that our parents often thought impossible. Between 1977 and 1982 alone, according to the Bureau of Labor Statistics, the proportion of minority managers rose from 3.6% to 5.2%. EEO data from 1982 show that of all "officials and managers," 4.3% were blacks (including 1.6% black females) and 20.4%, white females. The companies that led this progress deserve commendation for their efforts in recruiting, hiring, and promoting not only blacks but also other minority members and women too.

Yet in the midst of this good news there is something ominous. In conversations with black managers, I hear expressions of disappointment, dismay, frustration, and anger because they have not gained acceptance on a par with their white peers. They find their careers stymied and they are increasingly disillusioned about their chances for ultimate success. They feel at best tolerated; they often feel ignored.

A sampling of headlines from the last few years underscores these perceptions: "Black Professionals Refashion Their Careers" (*New York Times*, November 29, 1985), "Many Blacks Jump Off The Corporate Ladder: Feeling Their Rise Limited" (*Wall Street Journal*, August 2, 1984), "Progress Report on the Black Executive: The Top Spots Are Still Elusive" (*Business Week*, February 20, 1984), "They Shall Overcome: Black managers soon learn that getting through the corporate door is only the first of their problems" (*Newsweek*, May 23, 1983), "Job-Bias Alert: Roadblocks Out Of The Closet" (*Wall Street Journal*, May 17, 1982).

Little information exists about minority participation in the top rungs of America's largest companies. But two surveys of *Fortune* "1000" companies by the recruiting firm Korn Ferry International show that as of 1979 and 1985 these businesses have not made even a dent in moving minorities and women into the senior ranks. The 1979 survey of 1,708 senior executives cited three as being black, two Asian, two Hispanic, and eight female. The 1985 survey of 1,362 senior executives found four blacks, six Asians, three Hispanics, and 29 women. I think it's fair to say that this is almost no progress at all.

"Will black managers ever be allowed to move up the organization and succeed in the old-fashioned way, by earning it!"

A CEO of a multibillion-dollar, multinational company framed the issue: "I'm concerned. The curve of progress has started to flatten more than it should relative to the effort we've made. I need to know how to be successful in moving up competent but diverse people who are not clones of those above them."

But not enough like him seem to be concerned. A 1983 survey of 785 business opinion leaders ranked affirmative action for minorities and women as twenty-third out of 25 human resource priorities, almost last.[1] Today, unlike the 1960s, equal opportunity is not an issue on the front burner of national or corporate concerns. For many reasons, the prevailing theme of fairness has been replaced by calls for protection of individual liberties and self-help. No one wants to listen to

In July-August 1973, HBR published Edward Jones's personal account, "What It's Like to Be a Black Manager." At the time he was a division manager at New York Telephone Company. A decade later, HBR asked Jones to assess the progress of black managers in U.S. corporations. This article is the result. From New York Telephone he moved to AT&T, where he oversaw nationwide strategic planning for media markets and initiated the company's satellite strategy. In 1984 Jones formed Corporate Organizational Dynamics, Inc., a consulting firm specializing in organizational effectiveness. He is now writing a book titled Managing the Dynamics of Difference.

a bunch of complaining minorities. From many perspectives, the problem is seen as solved. It is yesteryear's issue.

My research for this article has convinced me that many of the top executives of our largest companies are committed to fairness and to promoting qualified minorities into positions of responsibility. As one white senior executive put it, "No thinking person would pick a white manager for promotion over a more qualified black manager." In most instances he's probably right. The problem is the influence of unconscious, unthinking criteria on the choice.

This article is based on three years of research, including hundreds of interviews of men, women, whites, blacks, and other minorities; of senior, middle, and junior managers; and of professionals in management, education, consulting, psychology, sociology, psychiatry, and medicine. They included more than 30 black executives, each earning at least $100,000, and more than 200 black managers, most MBAs.

My purpose here is to report on this research, to inform concerned executives of the issues as perceived by black managers. I am not trying to prove anything, only to report and to offer direct testimony on where black managers stand, the progress they have made, the problems that exist, the way blacks feel, and what seems difficult and unresolved.

'Color-blind' companies

There is a problem that the statistics don't reflect. Listen to four higher level black executives who have achieved some credibility and status in the business world:

"There was strong emphasis in the seventies for getting the right numbers of black managers. But now we're stagnating, as if the motivation was to get numbers, not create opportunity. I get the sense that companies have the numbers they think they need and now don't think anything more needs doing. Some companies are substituting numbers that represent the progress of white women and camouflaging and ignoring the lack of progress for black managers altogether. Many companies hired aggressive, self-motivated, high-achieving blacks who are now feeling deep frustration. Some have left, others stay but are fed up. Some can take more pain, others just throw up their hands and say to hell with it."

"When you work your way up, try to conform, and even job hop to other companies only to confront the same racial barriers – well, it's debilitating. I just don't want to go through that again."

"I went into corporate America to shoot for the top, just like my white classmates at business school. But the corporate expectation seemed to be that as a black I should accept something that satisfied some other need. Corporations are saying, 'We want you to be just a number in a seat representing a particular program. Stay in your place.' The psychological contract made by corporations is unfulfilled for black high achievers. We're dealing with a breach of contract."

"We can have all the credentials in the world, but that doesn't qualify us in the minds of many white people. They can train the hell out of us and we can do well, but they may still think of us as unqualified. Old biases, attitudes, and beliefs stack the cards against us."

These are typical statements black managers make in private. When you hear them over and over, you have to believe there's something very real about them. The myth is that companies are colorblind. "We don't tolerate discrimination of any kind, and we've instituted procedures to make that a fact," is a typical comment by a white executive. More accurately, discrimination is ever present but a taboo topic – for blacks as well as whites. If you want to move up, you don't talk about it.

When top executives talk about hiring at the lower end, it's not taboo. Often it's actually obligatory for the sake of affirmative action. But when a black middle manager thinks he (or she) has been held back by a white boss because of race, he faces a tough choice. If he remains silent, he is stigmatized by the boss's action and may find his career pigeonholed. But if he speaks up, he is liable to be marked "too sensitive, a troublemaker, not a team player" and lose in the long run even if he proves unfairness.

So highly charged is this topic in corporations that I had to guarantee all interviewees anonymity. Candor might put companies at risk of being embarrassed and careers of being ruined. One executive, noting that blacks are few in his industry, declined to fill out a questionnaire *anonymously* for fear he would be identified. One white consultant said he lost a great deal of business after performing a survey for a large company in which he reported that black managers were accurate when they complained of unfair treatment. "They never called me back after that," he told me, "and other companies I had dealt with for years didn't call either. The word spread that I couldn't be trusted, and I was blackballed."

On a treadmill

Corporations and educational institutions have given thousands of black managers the background to move up to more responsible positions. The corporate door is open, but access to the upper floors is blocked. Ironically, companies that led in hiring the best prepared blacks have the worst problem because their protégés' expectations of success are proportionate to their preparation.

To expand on the impressions obtained in interviews, I conducted two surveys of black MBAs. The first was a 23-page questionnaire mailed to 305 alumni of the top five graduate business schools. I received 107 back, without follow-up, for a response rate of 35%. More than 98% of the respondents believe that corporations have not achieved equal opportunity for black managers; 90% view the climate of support as worse than for their white peers; and 84% think that considerations of race have a negative impact on ratings, pay, assignments, recognition, appraisals, and promotion. Some 98% agreed with a statement that subtle prejudice pervades their own companies, and more than half said the prejudice is overt. Less than 10% said their employers promote open discussion of racial issues.

In the survey I listed 15 words and phrases that persons I had interviewed used to describe the climate for blacks in their organizations. To elicit more information (though admittedly in an unscientific fashion: ten of the descriptions were negative and five positive), I asked respondents to select those that "best describe the organizational climate for black managers." The answers, in percentage of total respondents, were:

Indifferent	50%	Supportive	18%
Patronizing	41%	Positive	11%
Reluctant to accept blacks	40%	Open in its communication	10%
Encouraging	24%	Reactionary	10%
Psychologically unhealthy	21%	Negative	7%
Unfulfilling	20%	Untenable	7%
		Unwholesome	7%
Whites are resentful	20%	Trusting of blacks	4%

A number of respondents volunteered 18 other descriptions, of which 12 were negative. I included all 33 terms in an expanded question (contained in a shorter questionnaire) that I distributed at a meeting of some 200 black graduates of a variety of schools. I received 75 returns.

Getting the most mentions were these descriptions: supportive in words only (50%), lacks positive direction (41%), has a policy of tokenism (33%), reluctant to accept blacks (33%), and indifferent (33%). The favorable descriptions that received the most mentions were encouraging (17%) and positive (15%).

It doesn't matter whether, by some impossible objective standard, these people are right or wrong; what counts is how they feel. My findings contrast sharply, by the way, with opinions offered from 1979 through 1984 by some 5,000 white managers and other professionals in the data base of Opinion Research Corporation. Only 28% of them indicated they lack confidence in their employers' appraisal systems. In my first sample, 90% of the black MBAs declared that blacks are treated worse in appraisals than whites at the same levels.

Here are three illustrations of why black managers are frustrated and angry. First, however, a caveat. To condense into a few paragraphs events that transpired over a number of months may oversimplify them, but they do help clarify the attitude of black managers who feel rejected. The white executive who reads these accounts may think, "I'm sure there were other reasons for this. There must have been something about the person that made him unsuitable for more responsibility." But the people I interviewed and surveyed repeated the same kind of story time after time.

☐ For more than ten years, John has held the number two post in his department in a large Midwestern chemical company. Some years ago, when his superior, a white, became ill, John filled in for him. After John's boss, who was a vice president, died of a heart attack two years ago, his skip-level boss, a senior vice president, named John acting department head while the company searched for a replacement. During the next 14 months, John repeatedly said he'd like the job and was qualified, but the senior VP said they wanted to start fresh. "We want to reorient the department," he would say, or "We didn't like the way the department was run; Wally was too involved in side issues." But each candidate who came along was less qualified than John.

Finally the company hired a white executive with all the right credentials away from a prime competitor at a salary much higher than John's boss had received. It was the first time the company had brought in an outsider at such a high level. John, who is still number two in the department, is convinced that top management simply did not want a black vice president. "I've searched and searched in my mind for the reason they didn't appoint me," he said when I interviewed him. "All the excuses don't apply to me. They were always critical of my boss, but not of me. I had good ideas for the department and was excited about the prospect of running it, but they never were interested. The reason always comes down to race. They wouldn't have treated a white manager this way."

"The committee recommends that we merge with Arlco Industries as soon as possible, and raise the $17 million through a junk bond issue. This will raise production 24%, allowing us finally to take over the Zaxly Corp. As a result, our personal incomes and status will be greatly enhanced, and we'll have much less trouble picking up girls."

☐ Then there is Ron, a bright young administrator for a financial services company in California. In his second assignment, Ron accomplished in one year what his boss had said would take him three and was rewarded with a hefty raise and a transfer to a more difficult slot. There his group again decimated the plan, achieving sales levels in 18 months that the company had predicted would take three years. Again Ron was given praise, a raise, and a transfer – but no promotion.

Meanwhile, whites who had joined the company as trainees with Ron were promoted once and some of them twice. Ron was disillusioned. "My career is getting behind to the point I don't think I can catch up now," he told me. His color must have been a big factor in the way he had been treated, he claimed, because he had played according to all the rules, had outperformed his white peers, and had still come up short.

☐ Bill's division was part of a company newly acquired by a large multinational enterprise located on the West Coast. Hired through a headhunter by the new parent, he was the first black manager in his division. Between the time Bill was appointed and the day he walked into his office, an executive who had opposed Bill's selection had been promoted and as a vice president was two steps above Bill as his boss's boss. Despite Bill's repeated requests, his immediate superior gave him no written objectives. But all of Bill's colleagues told him they liked his direction.

The only indication that race was even noticed was a comment from a sales manager whose performance Bill's division relied on: "I don't normally associate with blacks." Bill learned later that other managers were telling his boss that he was hard to work with and unclear in his plans. His boss did not confront Bill with these criticisms, just hinted at possible problems. Only later did Bill put them together into the indictment they really were.

After six months, out of the blue, he was put on probation. According to Bill's superior, the vice president said he "did not feel Bill could do the job" and suggested to him that Bill accept severance pay and look for other work. Bill decided to stick it out for pride's sake; he knew he could do the job. His work and educational records had proven him to be a winner.

During the following six months, his division performed ahead of plan. Bill was getting compliments from customers and colleagues. His boss assured him that he had proved his worth, and the probation would be lifted. It was. A few months later, Bill's boss finally agreed to set written objectives and scheduled a meeting with him. But when Bill walked into his superior's office, he was surprised to see the VP there too. The purpose of the meeting was not to set objectives but to place Bill back on probation, or give him severance pay, because he did not "seem to be the right man." Bill left the company and started his own business.

It's noteworthy that Bill, Ron, and John all worked for "equal opportunity employers." Are these cases unusual? Listen to the testimony of a black I interviewed, a vice president of a large insurance company: "White executives at my level say they don't see race as a factor. This is contrary to my perceptions. When I say race, I refer to what is happening to all blacks. White executives choose to see these situations as issues of personal shortcomings. They say, 'We have to look at the possibility of upward mobility of blacks on an individual basis.' But when I look at it on an individual basis, I see all blacks being treated the same way. Therefore, I come to the conclusion that black managers are being treated as a group."

'Colorism'

Racism is too highly charged a word for my theme. When some people think of *racist* they picture overt bigotry and hatred, the burning cross, the shout "nigger" – things our country has rejected by law. For black managers, what gives them a disadvantage is deep-seated attitudes that may not even be consciously held, much less manifest themselves in provable illegal behavior.

For this discussion I'll use the word *colorism* to mean an attitude, a predisposition to act in a certain manner because of a person's skin color. This means that people tend to act favorably toward those with skin color like theirs and unfavorably toward those with different skin color. Study after study shows that colorism exists among white Americans; whereas they generally have an automatically positive internal picture of other whites, they don't have one of blacks. It takes an effort to react positively toward blacks.[2]

A 1982 survey of Ivy League graduates, class of '57, helps explain colorism. For them "dumb" came to mind when they thought of blacks. Just 36% of the Princeton class, 47% at Yale, and 55% at Harvard agreed with the statement, "Blacks are as intelligent as whites."[3] These are graduates of three leading universities who are now approaching their 50s, the age of promotion into senior corporate positions. Though current data are unavailable, in the mid-1950s two-fifths of the American business elite were graduates of these three schools.[4]

All people possess stereotypes, which act like shorthand to avoid mental overload. We are products of all we have experienced directly or indirectly from infancy. Stereotypes will never be eliminated; the best we can do is bring people to a level of awareness to control their impact. Most of the time stereotypes are mere shadow images rooted in one's history and deep in the subconscious. But they are very powerful. For example, in controlled experiments the mere insertion of the word black into a sentence has resulted in people changing their responses to a statement.[5]

One reason for the power of stereotypes is their circularity. People seek to confirm their expectations and resist contradictory evidence, so we cling to beliefs and stereotypes become self-fulfilling.[6] If, for example, a white administrator makes a mistake, his boss is likely to tell him, "That's OK. Everybody's entitled to one goof." If, however, a black counterpart commits the same error, the boss thinks, "I knew he couldn't do it. The guy is incompetent." The stereotype reinforces itself.

While blatant bigotry is a problem in organizations, neutrality may be an even greater obstacle to blacks. While an estimated 15% of white Americans are extremely antiblack, 60% are more or less neutral and conform to socially approved behavior.[7] According to Joseph Feagin, a sociologist at the University of Texas at Austin, "Those managers and executives who are the biggest problem are not the overt racial bigots. They are people who see discrimination but remain neutral and do nothing about it. These are the people who let racially motivated behavior go unnoticed, unmentioned, or unpunished. These are the people who won't help."

Advancement in organizations obviously requires support from the top; and as they step through the maze of obstacles, aspirants try earnestly to pick up signals from those in power so they can tell which way the winds blow. Black managers feel obliged to use a color lens in interpreting those signals. A white male passed over for a choice assignment may wonder about his competence or even whether his style turned somebody off: "Was it my politics? My clothes? My laugh?" Blacks will ponder those things too, but the final question they must ask themselves is, "Was it my color?"

Of course, a decision about a promotion is a subjective thing. For blacks, colorism adds an extra layer of subjectivity. An outplacement consultant (white) who has worked for a number of the largest U.S. corporations referred to "a double standard that boils down to this: the same qualities that are rewarded in white managers become the reason the black manager is disliked and penalized." A black personnel executive explained the double standard this way: "If you're aggressive then you're arrogant, but if you're not aggressive then you're not assertive. You try to be right in the middle, and that's impossible."

Studies show that senior executives are generally taller than average. Height is thus an advantage in moving up the corporate ladder – but not necessarily if you're black. "I was interviewing with a white vice president over cocktails for an opening in his organization," recalled one black executive. "I've always had a good track record and, as you can see, I'm not very large. After a few drinks he told me that he liked me, but if I were a big black guy with large muscles, he wouldn't even consider me for the job."

The corporate posture is that there is no race problem. Perhaps in the attitude of the person at the very top that's true, but not lower down. A black VP of a large East Coast bank said, "Our president talks about adhering to equal opportunity, and every year he sends out this letter saying he's firmly committed to equal opportunity. And I believe he's serious. But as the message gets to middle managers, it's lost." Another black manager put it this way, "The general may give the orders, but it's the sergeant who decides who gets liberty and who gets KP."

At the "sergeant's" level, competition is conditioned by colorism. "It's not a conspiracy, it's an understanding," said a black personnel director at a New England-based food distribution company. "Whites don't get together and say, 'Let's do it to this black guy.' That doesn't happen. Say Joe Blow, a black manager, is vying against ten white guys for a promotion to the assistant VP level. The ten white execs will behave in such a way as to hold Joe Blow back. They'll act independently of each other, possibly without any collusion. But given the opportunity to push Joe Blow ahead or hold Joe Blow back, they'll each hold him back."

Those who seek to step into upper management are playing a new and more complicated game. The stakes are higher and the rules are often less well defined, if they exist at all. So it is here in the middle management passage where the issue of prejudice is most acute.

To get ahead, a person depends on informal networks of cooperative relationships. Friendships, help from colleagues, customers, and superiors, and developmental assignments are the keys to success. Outsiders, or people treated as outsiders (no matter how talented or well trained), rarely do as well. Black managers feel they are treated as outsiders, and because of the distance that race produces they don't receive the benefit of these networks and relationships. Few win bosses as mentors. Moreover, they rarely get the vote of confidence from superiors that helps them to move up step-by-step and allows them to learn the business. These assignments would give them the expertise, exposure, and knowledge necessary for promotion to top posts.

What senior executives would support the promotion to their peer group of somebody they envision as stupid, lazy, dishonest, or preoccupied with sex (the prevailing racial throwbacks among whites about blacks)? This attitude permeates an entire organization because the corporate climate and culture reflect the unspoken beliefs of senior executives, and middle managers, desiring to be senior executives, conform to these norms. This statement by a black middle manager, a woman, illustrates the impact that a closed circle can have on blacks' aspirations:

> "A black manager who worked for me deserved a merit raise. I came to the appraisal meeting with all the necessary documentation. There were three or four 40- to 50-year-old white men arguing for *their* people without any documentation. I was the only one supporting my manager, and I was the only one that saw him as eligible. I was overruled just by the sheer vote of it. It turned out to be a matter of 'Joe, you did a favor for me last week, so I'll support you in getting your person in this week. You owe me one, old buddy.'
>
> "You can try to legitimize the process by saying, 'We all got together and we went through a democratic process, so it was done fairly.' This process was democratic if by that you mean you have one vote in a group of buddies where everyone votes. But a lot of who gets what pay increase and who is put up for promotion is the underlying political buddy system. It's a matter of who believes in who, and each person's prejudices and beliefs come into play to decide the outcome."

A white consultant told me, "White managers aren't comfortable sponsoring black managers for promotion or high-visibility assignments. They fear ostracism from other whites." As a consequence, black executives are shunted into slots out of the mainstream. Here is the testimony of three of them, one from the pharmaceuticals industry, one from an insurance company, and a manufacturer:

> "Too often black managers are channeled into The Relations, as I call them – the community relations, the industrial relations, the public relations, the personnel relations. These may be important functions, but they are not the gut functions that make the business grow or bring in revenues. And they're not the jobs that prepare an executive to be a CEO."
>
> "The higher you go, the greater the acceptance of blacks for limited purposes, such as for all those programs that reach out to communities for various projects, the velvet ghetto jobs. And you become an expert on blacks. At my company, if an issue has anything to do with blacks, they come and ask me. On black purchasing they ask me. Hell, I don't have anything to do with purchasing, but because I'm black they think I ought to know something about it."
>
> "White managers don't want to include black managers in the mainstream activities in corporations. Even blacks who have line responsibilities, to the extent that they can be pushed aside, are being pushed aside. They ask you to take a position of visible prominence not slated to the bottom line and give you financial rewards rather than leadership. It's all for outside appearance. But money doesn't relieve a poverty of satisfaction and spirit."

Pressure to conform

"Business needs black executives with the courage and insight to help us understand issues involving equal opportunity," John deButts, former CEO of AT&T, once said. "They must tell us what we need to know, not just what they think we want to hear." But black managers are often afraid to risk their careers by speaking their minds.

In most organizations, conformity is an unwritten rule. If you don't conform, you can't be trusted – especially for higher positions. Black managers try to conform to the corporate values regarding race, and female managers, the values regarding women. If race is "not an issue," acceptance means you are expected to pretend race is not an issue. "A lot of black managers," one black executive told me, "are afraid that if they stand up and take an active role in some black concern, even though they believe it's the right issue, people will say, 'Oh, he's black and just standing up for blacks as any black would.'"

Moreover, some white managers become defensive if prejudice is mentioned. After all, it's un-American to be prejudiced, and who wants to be un-American? So white and black managers, fearful of confronting the issue, take part in a charade. "There is often less than total candor between blacks and whites at any level, and the higher up you go the more that is true," says psychiatrist Price Cobbs. "There is mutual patronizing and misreading, making blacks and whites unable to exchange ideas and express their feelings."

At each step up the organizational pyramid, of course, there are fewer positions. But the slots for minority members are even more limited. This creates an additional game – king (or queen) of the little hill – in which minority members and women compete against each other for the tiny number of near-top jobs available to them. And the first one who gets to the top of this smaller hill is sorely tempted to fend off, rather than help, other minority players.

Attempts by black managers to convince white superiors they are trustworthy, safe, and therefore acceptable manifest themselves in different ways. One black executive explained, "It might take the form of a manager not wanting a black secretary – not so much because he thinks the individual is unqualified, but because he's concerned about how his superiors and peers might perceive them. 'Hey,' they might say, 'that's a black operation over there, so it can't be too effective.'"

Here are some true stories that illustrate running a gauntlet:

☐ Al, who aspired to the lower rungs of senior management, had to fill a vacancy in his organization. The most qualified candidate was another black manager, George. Al's company was an "equal opportunity employer," but he worried that if he promoted George he would be perceived as favoring blacks and therefore would be unacceptable as an executive. So he promoted a less qualified white candidate. George initiated a suit for discrimination, the company settled, and Al resigned.

☐ Bob was an ambitious person who changed employers when passed over for promotion. After a year at his new job, he saw that white managers he thought to be inferior performers were being promoted above him. Actually, many of the company's black managers were becoming vocal about a perceived pattern of favoritism toward white managers, who were faring better on appraisals, assignments, promotions, and pay. So that his superiors would see him in a positive light, Bob didn't associate openly with other black managers – but he privately encouraged their efforts to speak up. They should be the "bad guys" while he played the "good guy" in the hope that at least one black might be the first to crack the color barrier at a high level.

In meetings with black managers, senior executives would say that they recognized that blacks were not moving up fast enough, but it takes time and the blacks should not be too pushy. Bob told the white executives, "I don't see why you're even meeting with those guys. They're a bunch of complainers." Two months later, Bob was the first black to be promoted to the executive level.

☐ Charlie, a junior executive, did not wear race on his sleeve but was straightforward and honest on the subject. One day several lower level black managers sought his advice on correcting what they saw as a pattern of discrimination stunting their careers. Charlie concluded that senior management ought to know about their concerns, and he agreed to arrange a meeting with top officers. Two days before the meeting, the president took Charlie aside in the executive dining room and said, "Charlie, I'm disappointed that you met with those people. I thought we could trust you."

☐ Ellen, a politically astute black manager, noted that promotions for black managers in her organization diminished coincident with an increase in promotions for white females. Ellen skewed promotions in favor of white females and was a regular participant in meetings about women's issues. She would not promote black males because they were "undependable." Ellen was surprised when a white male declined a promotion because the black male who trained him "was more deserving."

The twist that colorism puts on the maneuvering of ambitious managers is not a new phenomenon. Jews and Italians (among Irish, and other ethnic newcomers in America) have tried to pass as less Jewish or less Italian than their Jewish or Italian

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Author's note: I thank William Ellinghaus and James Olson, the former and current presidents of AT&T, respectively, for their encouragement and support of the research that formed the basis of this article. And I thank the [illegible] Corporation, whose generous support made its completion possible.

colleagues. Obviously it is more difficult for blacks to overcome white executives' feelings about color, but they, like whites, will use what tactics they can to get ahead. But for blacks it's more than merely changing roles like changing hats. Adopting a white value system often means unconsciously devaluing other blacks – and ultimately themselves.

Race & sex

Another phenomenon that black managers are talking about is "substituting the lesser evil." In their evident push to demonstrate progress toward equal opportunity, some companies are promoting white women in lieu of black men and women. Many of the black managers I interviewed mentioned this phenomenon. Of all the complex interracial issues, certainly the most controversial is the combination of race and sex. The white male-black female, black male-white female relationships are very sensitive matters. Here the most primitive feelings interact, and the stereotypes come boiling to the surface.

At higher levels of organizations, white women have problems in achieving acceptance that in some ways are like those of blacks. Even so, race poses the bigger barrier. According to Price Cobbs, the psychiatrist, "There will be far more white women in the old boys' club before there are large numbers of blacks – men or women."

Since white women comprise 40% of the U.S. population, compared with blacks' 12%, they naturally should move into positions of power in greater numbers than blacks. What seems to be happening, however, is the movement upward of white women at the expense of blacks – men and women. Black managers are concluding that senior executives who are uncomfortable promoting blacks into positions of trust and confidence – those positions that lead to the top jobs – feel less reluctant to promote white females to these posts. "It's as if there is a mind-set that says, 'We have a couple of women near the executive suite – we've done our job,' and they dismiss competent blacks," one black executive said. "It's corporate apartheid," said another.

If the comfort level is a big factor in an invitation to enter the executive suite, it is understandable that white women will get there before blacks. After all, the mothers, wives, and daughters of top officers are white women, and they deal with white women all their lives – but only rarely with black men and women. And they are likely to view white women as being more from their own social class than black men and women.

Stereotypes no doubt play a role here too. One study indicates that the higher the white male rises in the corporate hierarchy, the less likely he is to hold negative stereotypes about women but the more likely he is to hold negative stereotypes about blacks.[8]

Black women, of course, seemingly have to overcome issues of both race and sex. But these combined drawbacks may cause less resistance than that experienced by black men. A study of biracial groups concluded that black women are not perceived in the same sexual role as white women or in the same racial role as black men. Within a social context, black females are more readily accepted in roles of influence than black males. The author of the study reasoned that white society has historically allowed more assertive behavior from black women than black men because black women are considered to be less dangerous.[9]

If personal comfort levels are a main criterion for advancement, black women are less threatening and therefore more acceptable to white male executives and so will advance faster and farther than black men. Recently *Fortune* magazine found that "the figures for black men tell a disturbing story. From 1976 to 1984, black men lost ground relative to both white women and black women."[10]

Harlem

What happens to a dream deferred?

Does it dry up
like a raisin in the sun?
Or fester like a sore –
And then run?
Does it stink like rotten meat?
Or crust and sugar over –
like a syrupy sweet?

Maybe it just sags
like a heavy load.

Or does it explode?

From
Selected Poems
of Langston Hughes
(New York: Alfred A. Knopf, Inc.)
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Balancing act

Most black managers feel that to satisfy the values and expectations of the white corporate hierarchy they must run a gauntlet of contradictory pressures. Running the gauntlet means smarting from the pain of prejudice even as white colleagues deny that your reality of race has any impact. It means maintaining excellent performance even when recognition is withheld.

It means being smart but not too smart. Being strong but not too strong. Being confident but not egotistical to the point of alienation. Being the butt of prejudice and not being unpleasant or abrasive. Being intelligent but not arrogant. Being honest but not paranoid. Being confident yet modest. It means seeking the trust and respect of fellow blacks and acceptance by whites. Speaking out on issues affecting blacks but not being perceived as a self-appointed missionary or a unifaceted manager expert only on black subjects. Being courageous but not too courageous in areas threatening to whites.

It means being a person who is black but not losing one's individuality by submersion into a class of "all blacks," as perceived by whites. Defining one's self while not contradicting the myriad definitions imposed by white colleagues. Being accepted as a leader for whites and not being seen as an Uncle Tom by blacks. Being a person who is black but also a person who is an authentic human being.

Some black managers are becoming psychological contortionists, struggling to play by the rules of this game. Feelings of self-worth and self-esteem are vital ingredients of mental health. High-achieving black managers are particularly vulnerable to depression if they strive for what white peers attain only to find that the objects of their desire are withheld. The knowledge that these goals should be attainable because of educational preparation and intellectual capability makes the conflict sharper and black managers that much more vulnerable to depression." According to Price Cobbs, the level of outrage and indignation among black managers exceeds that of black Americans who are unemployed. Another psychiatrist I talked to adds: "Those black managers in the potentially greatest psychological trouble are the ones who try to deny their ethnicity by trying to be least black – in effect, trying to be white psychologically."

According to Abraham Zaleznik, a social psychologist at the Harvard Business School, if companies promote only those blacks "who are going along with the values of others, they are eliminating those blacks who have more courage, leadership potential, and a better sense of self worked out. This would be tragic because it would attack the very basis of building self-esteem based on an individual's unique capabilities."

Where to from here?

The picture of frustration and pain that I have drawn is the reality for many, but certainly not all, black managers. I have stressed what is the predominant condition. Most black managers are convinced that their best is never seen as good enough, even when their best is better than the best of white colleagues. The barrier facing black managers is no less real than a closed door. But in the minds of many of their superiors, if people can't make it on their own, it must be their own fault.

I am not talking about the disadvantaged but about high achievers, those blacks who are most integrated into the fabric of our country's white-oriented culture. Yet because of colorism many of these best qualified managers are seen as unqualified "affirmative action hires." (Even so, affirmative action should not be a distasteful term – though it is in Washington these days. Its objective is to ensure that all qualified persons compete on a level playing field.)

What will be the outcome if many of America's best educated and best prepared blacks are not allowed to succeed, and if our country's leaders, including those in corporations, no longer care about this issue? Everyone may agree that "a mind is a terrible thing to waste," but are we not contradicting ourselves if we make waste matter of some of our best black managerial minds or relegate them to the scrap heap of human potential? How hypocritical will we appear in America if "equal opportunity" becomes primarily a white female slogan and the law is used to construct a system akin to corporate apartheid in which the positions of power and authority are nearly all held by whites? What will today's black managers say to their children if one day they ask, "Why don't I have the opportunity you had, and what did you try to do about it?"

Just as one cannot be a little bit pregnant, corporations cannot have a little bit of equal opportunity. There is unlimited opportunity, based on uniform rules, or equal opportunity does not exist. If, at a certain higher level, opportunity appears to peak because no blacks have ever been at such a level, blacks and whites may perceive that blacks could never – and therefore should never – be promoted there. They don't satisfy the "prototype" for an executive at that level, and therefore, among those who are competing for advancement, they are less appealing as candidates than their white competitors.

So their effectiveness as managers, even in their present roles, becomes an issue. Such a perception combines with ego adjustments of whites working for blacks (whites who may never have been subordinate to a black person before) to make effective leadership by a black much more difficult. Who wants to work for someone not seen as a winner? Or someone with a questionable future?

Will black managers ever be allowed to move up the organization and succeed in the old-fashioned way, by earning it? They must be allowed to fail as well as succeed. In other words, they must be treated the same as white managers.

The first step is to accept how deeply rooted our feelings are about race and color, then remove the taboo from candor on racial realities. We must open up communication and not deny or pretend. Corporations cannot manage attitudes, but they can manage behavior with accountability, rewards, and punishment, as in all other important areas of concern. What gets measured in business gets done, what is not measured is ignored.

The commitment must come from the top down – that of course is obvious. But more than sincerity is needed from the board of directors down through the management structure: commitment, example, and follow-through. Unless the CEO influences the corporate culture to counter the buddy system by compelling all managers to focus on competence and performance rather than comfort and fit, the in-place majority will merely perpetuate itself and the culture will continue to default to traditional racial etiquette and attitudes.

Equal opportunity will not be achieved by promoting one or two high-profile, "most acceptable" blacks into the executive suite, putting a black on a board of directors, or bringing in one or two "name" blacks from outside and bypassing middle management. A fair chance means that black managers can move ahead and still be genuine, that they don't have a psychological gauntlet imposed on them. Fairness means that successful black managers can be role models. A fair chance means that there can be black division heads of marketing, production, and strategic planning, as well as urban affairs and community relations. It also means that black executives can become part of the headquarters elite and report directly to the CEO, not only as vice presidents but as senior and executive vice presidents. It means black executives can be CEOs.

Where do we go from here? The answer lies in our vision for America: whether we want a land of opportunity for all Americans based on individual dignity and respect, or a land of advantage and disadvantage based on skin color. Whether we want a nation where competence and character will be the criteria for leadership, or whether color will ordain that Americans stay in a place determined in the minds and by the values of others. Senior corporate executives can help decide the outcome. Where do they choose to go from here?

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Findings of an Information Exchange Workshop on
Retention and Career Development Issues
Faced by Minorities in Corporate America

What Bridges Must Be Built: The Next Step

The issues associated with the "retention and career development faced by minorities in corporate America" led INROADS, Inc., in cooperation with the Mobil Oil Corporation, to convene a unique information exchange workshop on October 12 and 13, 1988, in Washington, D.C. The underlying objectives of this two-day workshop were as follows:

- to identify specific problems and issues facing corporate managers resulting from the influx of minorities, and other culturally diverse employees into the professional ranks of the American work force;
- to explore a plan of action that minority managers can initiate to enhance their success in corporate America; and
- to develop directions that INROADS can pursue to provide much-needed leadership with their corporate sponsors to expand the base of minority senior executives.

The racially mixed group of 50 participants included three basic constituencies: senior managers and executives from a variety of Fortune 500 companies representing both line and staff management; INROADS alumni with more than five years of work experience; and other minorities from the private sector who are not INROADS graduates. In addition, INROADS staff from both local affiliates and the national office were present.

At the outset of the workshop, INROADS President Reginald D. Dickson asked the participants to address the question, "How is INROADS uniquely positioned to contribute to the retention and career development of minorities in corporate America over the long term?" He added that the workshop was intended to be an important first step to help establish a strategy/plan of action for the INROADS organization in this critical area for America's future.

Possible Reasons for the Lack of Progress by Minority Professionals

Workshop participants who were divided into two groups -- corporate managers/executives and minority professionals/managers -- were specifically asked to address, from their perspective, the major inhibitors to continued progress of minority managers into senior levels of responsibility.

Their responses fell, generally, into one of four categories:

1. the longstanding social norms that are merely transferred from American society itself into the corporate setting;
2. the difficulties associated with accommodating and appreciating cultural diversity;
3. the subjective, yet widespread and crucial, role of corporate politics and culture, including the informal organizational and interpersonal dynamics which ensue; and, lastly,
4. the longstanding premise that the variables affecting economic growth do not include the development of minorities in this country.

Social Norms from American Society

- Conformity to traditional standards and patterns of behavior which tend to devalue the competence of people of color.
- The assumption that minority advancement in the corporate world is "their" problem and not a corporate issue. Thus, the burden for making any interpersonal adjustments and recommendations falls on minorities exclusively.
- The silent, yet very real, tension and competition between white women and minority employees, both of whom are vying for a precious few slots in the corporate hierarchy.
- A refusal to acknowledge that in this post-Civil Rights era race- and gender-related discrimination still exists, although in less obvious and offensive ways than before.
- The belief of managers -- both white and successful minority -- that being vocal about minority issues will jeopardize their careers.
- Characterization of minority managers who exhibit assertiveness, impatience with the status quo, or independence of thought as being overly "aggressive," i.e., they have "stepped out of place."

- The assumption that affirmative action and equal employment are euphemisms for minority incompetence and inferiority. In addition, affirmative action and equal employment opportunity are regarded as issues of legal or social compliance instead of economic imperatives that can enhance the competitive posture of a company.
- Fear and a lack of trust by everyone, both minority and majority group members alike.

Multi-Cultural Diversity

- The high personal cost and emotional pressure to assimilate completely into the corporate mainstream can produce tremendous stress on minority men and women, without generating comparable rewards.
- The unspoken approval of conformity toward junior executives who aspire to reach senior management. Consequently, the lack of conformity can, also, serve as a barrier for anyone who does not fit the "corporate" mold of race, gender, social behavior and political preferences.
- The lack of experience in most American corporations with the management of employee diversity. Most often it is neither understood nor practiced.
- The difficulty of assessing the management of diversity, in quantifiable terms, as a factor which contributes to the "bottom line."
- Conflicting personal values held by minority executives and their white counterparts.

Corporate Culture and Organizational Dynamics

- Weak minority recruitment and career development strategies by corporations; or, an over-emphasis on minority recruitment at the sacrifice of strategies which include both recruitment and career development.
- The inability (or unwillingness) of companies to translate executive management's commitment into corporate-wide policies and practices.
- Lack of accountability and performance-related standards and penalties which can be used to motivate middle managers to support effective programs for minority career development.

- The disproportionate effect of downsizing on minority managers without offsetting safeguards or job protection that addresses longer-term considerations.

- Reluctance of minority professionals to engage in corporate politics. Similarly, some minority professionals do not recognize that subjectivity attends almost all hiring and promotion decisions. Discrimination is indeed a fact of human behavior, but it is not the reason for every unfavorable decision regarding a promotion or assignment.

- Limited access by minorities to the "old-boy" network and social settings (particularly informal meetings and gatherings) where important issues pertaining to both the corporation, in general, and their performance, in particular, are often discussed.

- Reluctance of white managers to assign critical projects to minority managers.

- Failure to create specific strategies and timetables that would develop and cultivate a critical mass of minority senior managers.

- Weak or dysfunctional mentoring relationships in which minority employees receive inadequate counsel.

- Limited corporate support for serious (as opposed to casual or academic) research into the problems associated with the lack of upward mobility by minority managers within their own company.

Economic Trade-Offs

- The fact that issues such as unfriendly takeovers, mergers and acquisitions, the Federal debt, foreign trade deficits, increased competition for safe and cost-efficient energy sources and foreign competition receive much more attention (and, thus, resources) than minority career development.

- A perception that minorities, as a group, contribute very little to the long-term economic success of the corporation.

Findings & Recommendations

Although the principal inhibitors for the retention and further career development of minority employees have been identified before, the following directions were identified for follow-up action.

Managing Employee Diversity

This term produces a multitude of interpretations -- from "assimilationist" strategies designed to move minorities into the majority mainstream, to programs that promote real diversity and heterogeneity as a means of achieving organizational synergy, without presupposing that minority managers must lose their individual identities in order to succeed.

Creating an atmosphere of employee diversity appeals, in general, to senior executives who recognize that interpersonal conformity will not inspire a more cohesive and productive environment. Moreover, as more minorities enter the nation's labor force, the pressure to accommodate people with diverse backgrounds and interests will invariably render this option an economic and strategic imperative.

Both working groups underscored the importance of increasing the "comfort factor" as a key issue. Greater contact with senior executives, establishing a critical mass of minority employees, improved access to social contacts, a clear corporate agenda in this area, and greater participation in the management development process were cited as priority steps that should be addressed.

INROADS Leadership

INROADS has established a widely-recognized reputation among corporate sponsors, as well as among other organizations, largely because of its highly successful collegiate component to help develop minority talent for responsible positions in business and industry.

The following directions were identified for INROADS leadership in working with alumni and corporate sponsors in the post-graduate area:

- Develop the major components for a model corporate agenda, particularly for companies that lack experience or staff resources; in this connection, consider establishing a highly visible national INROADS recognition award for companies that make significant progress in meeting this model agenda.

- Establish closer ties with INROADS alumni to keep abreast with their needs and concerns; based on their input, re-evaluate the core curriculum at the collegiate level to make their training and development more relevant.

- Develop a comprehensive strategy/suggestion action plan for corporate sponsors that addresses the "discomfort factor." Identify a short list of outside consultants that can be recommended to corporate sponsors to work with them in this area.

- Consider establishing a national INROADS alumni network to provide additional peer support; publicize significant contributions by INROADS Alumni to their companies and communities to reinforce role models for others.

- Sponsor INROADS workshops and programs on a needs-driven basis that are not otherwise available by corporate sponsors and/or other outside organizations.

- Concentrate throughout on problems and activities that are consistent with, and reinforce, the traditional INROADS mission.

- Carry the messages of minority underemployment and the projected shortages in human capital to INROADS sponsors and non-sponsors alike. Included in these information exchange discussions should be the high costs (both opportunity and out-of-pocket) that the nation will face if its corporate leadership chooses to ignore these two issues.

- Work, in cooperation with corporations, to monitor the implementation and progress of minority career development and retention programs.

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John Jenkins
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William Lipscomb
Equal Opportunity Program Director
IBM Corporation

Dr. John Mason (Facilitator)
President/Monsanto Fund
Monsanto Company

Paul S. McAuliffe
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BP America Inc.

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Relations/Marketing
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ABOUT CORPORATE ORGANIZATIONAL DYNAMICS INC.
PRODUCTIVITY AND ORGANIZATIONAL EFFECTIVENESS: AMERICA'S BELLWETHERS

The future of American companies in intensely competitive global markets depends upon their success in achieving unprecedented productivity from increasingly educated and diverse white collar workers. Given equal technology, the most productive work force will prevail.

Competitors include firms from nations such as Japan with racially and culturally homogeneous workers. In contrast, American workers are very diverse. White men, no longer a majority, are still key participants. Coincidentally, blacks, Hispanics, and Asians will constitute 26% of workers and 57% of the growth to 2000. White women and minorities combined exceed 90% of all growth. Clearly, America's corporate futures depend on the work effectiveness of diverse people.

Success at large companies is particularly important. International contenders that will determine the outcome are the large firms with the immense financial, technological, human, and other - minimum stakes - threshold requirements, to participate in an arena in which nations compete. Education is key and the experiences of the "best prepared," "most qualified," minorities and women in these large leading firms is America's cutting edge; America's best case; the bellwether of our future. If the "best prepared," regardless of group memberships, cannot succeed, it portends ominously for America. Thus, American firms success with diverse white collar workers, is a bellwether for America and the economic stakes involve America's future as a world class 21st century nation.

White collar work effectiveness is a function of myriad factors that transcend individuality. White collar productivity is determined by the perceived relationships between contributions made and rewards received; the answer to the question: What's in it for me? Competence and intellect are necessary but not sufficient for success in such interdependent situations. Success, defined by both productivity and organizational effectiveness, will be a function of work climates and milieus in which a ubiquitous sense of equity exists for everyone.

The complex dynamics in heterogeneous work systems require expert technical knowledge not resident in most organizations. This dearth of knowledge colludes with paralyzing fears, and taboos to impede progress even in enlightened firms.

Increasingly firms are seeking help. Regardless of intentions, no one can manage what is not recognized nor understood. CEO's and other leaders need knowledge to successfully manage these "Dynamics of Differences." This data is not in books, is not taught at leading business institutions and is not in executive curriculums. Corporate Organizational Dynamics provides this knowledge and educates CEO's and other committed corporate executives, policy makers, and other leaders.

THE AUTHOR

Edward W. Jones Jr., founded Corporate Organizational Dynamics in 1983. He speaks, researches and consults with leading firms, academic institutions, the U.S. Congress, business and government organizations. He has written two articles (1973 and 1986) at the request of the Harvard Business Review and is nationally recognized as being on the leading edge of managing diversity in organizations.

Ed combines theory with applied knowledge. He was sent to Harvard Business School by his company after repeated managerial turnarounds. At Harvard, he was a "Baker Scholar," in the top 5% of his class; graduated with "Highest Distinction" in 1972, and began his research on heterogeneous organizational effectiveness. Ed has reported to a CEO; managed thousands; headed a profit center of hundreds of millions of dollars; and headed national strategic and market planning.

Mr. MARTINEZ. Thank you, Mr. Jones.

Mr. Burns?

Mr. BURNS. Thank you, Mr. Chairman. It is indeed an honor and I think an important responsibility to testify on these issues. I prepared a written statement, but what I will do today is just try to summarize the major points.

As has been very, very clearly pointed out, the raw numbers in the Workforce 2000 demographics present us with a tremendous challenge, but as Mr. Jones was leading up to, there are also plenty of other things in our present climate that are going to provide an additional head-wind to that challenge.

I am beginning to call that present climate a new racism. It is more genteel. It is more complex than the old racism but nonetheless, what it amounts to is we are very much in danger today of institutionalizing the underclass and giving us problems not just in the year 2000 but far, far into the future.

In addition, there is a new separate but equal. It is not the full segregation of *Plessy* v. *Furguson,* but it is a partial segregation. It is built on the expected after effects of past segregation.

One of the major weapons the new racists use to promote the new separate but equal is to call all uses of any kinds of numbers quotas, to not distinguish between comparison numbers and quotas. Somehow, when they use that term, when they call something a quota, everybody else seems to run and hide.

I think we have got to begin to face these kinds of issues if we are going to deal with the underlying demographic issues because they are over them, they are above them, and they are going to hinder us in all of the attempts to solve the practical problems.

One of the big problems in all of this is I think we are not looking at it. We are hiding from it. We are not studying it. We are not analyzing it. We are not confronting it. We are not fighting it. Everybody is just as concerned, but I don't think we have learned how to fight the new racism. That is why I think that H.R. 2235 is so important.

Let me turn now to some of the aspects of the bill that I am particularly concerned in talking about. First is the workforce data developed by the BLS. I think it is one of the major goals of 2235. It will provide a key data base for corporations, for policy makers, for analysts. It is an extremely critical part.

It analyzes the workforce, as you know, by occupation group and hiring area. Now, I was planning to talk about what a good way that is to analyze this data. On June 5, 1989, in the *Wards Cove Packing Company* v. *Atonio* case, the United States Supreme Court handed down a decision where they made very, very strong arguments for using the analysis system contained in H.R. 2235. Justice White goes through the arguments of why, if you are going to analyze workforce data, this is how you have to do it.

So, according to that decision, the disparate impact analysis of Title VII, not just the kinds of things we've been talking about with OFCCP, both of those now require precisely the kind of analysis which is put forward in H.R. 2235. Of course, then, we also need these data to monitor the Workforce 2000 issues.

Clearly, the present data is not adequate for any of this, so I very much applaud the effort to provide us with new and better data.

Also, H.R. 2235 provides the opportunity for an entirely new compliance process. I would like to request at this point, rather than going through it verbally, if the members could refer to the last page of my prepared testimony, there is a flow chart there.

I think it would be quicker to go through the flow chart than to try to describe everything in words. Basically, the way the system would operate, as I understand it, is that a corporation would take the BLS data and compare it with their own data by occupational group and by hiring area.

The company then would add any needed modifications or any needed additions where the BLS data for one reason does not apply to them. At that point, after they have made their comparison, in a sense, they look at what they have and they look at the BLS data and then they can say, "Okay. Is there something here I need to do? Do I need to provide goals, time tables, action plans? Is there other information I need to bring in, such as internal pool issues?" and any other information that the employer might need.

What all of this amounts to—the BLS data, the employer report and the goals and action plans—this is, in a sense, a compliance review by the employer. This is not OFCCP devoting resources to doing a compliance review; this is the employer doing a compliance review.

Also, these are the kinds of tools that management is used to using where you are looking at results, not activities. The OFCCP compliance review is very heavy on activities. You give all of your activities. Management does not look at activities. They don't care about activities.

They look at the results. They look at what really happens. Then it would go to a review by OFCCP. If it is not disapproved according to clearly provided criteria, then the employer is not going to have a compliance review, is not going to get into the administrative law proceedings and all of the real tough enforcement which is the other side of the deal in this Act.

In other words, what you'd be saying is: Okay, Mr. Employer. If you don't want all these bad things to happen, then do a good job in responding to the requirements for affirmative action, in responding to the basic nondiscrimination inherent in this system and nothing else will happen to you.

So, it puts the onus on the employer: Produce and you can eliminate the whole mess that you can sometimes get into with the compliance review. Now, that's a very short form, but I think that this fundamental tradeoff between employer responsibility and the increased enforcement teeth of the Act is something that needs to be clearly understood.

The other extremely good part of that is that it would focus the government enforcement resources on the bad guys, no more cream puff reviews. Sometimes, the EOSs know that if they go to a certain company, there is a really good affirmative action manager there. He knows exactly how to give them the data they need to fill out their forms and they can get a real quick review out in terms of the standards that they are given.

So, they will do cream puff reviews, reviews where they know there is no real problem but they can score one in a very quick and easy way. This kind of a system would prevent that. It would focus the resources of the government into the places where they are really needed.

Also, the employer reports can be used by the BLS as a very, very powerful source of new information so that I would conclude, in general, that we would be very much ill advised to ignore the tools that H.R. 2235 gives us to address these very serious Workforce 2000 issues.

Thank you, Mr. Chairman.

[The prepared statement of William C. Burns follows:]

STATEMENT OF WILLIAM C. BURNS

before the

COMMITTEE ON EDUCATION AND LABOR
UNITED STATES HOUSE OF REPRESENTATIVES

June 15, 1989

Mr. Chairman and Members of the Committee:

It is an honor and an important responsibility to accept the Committee's invitation to testify today. I am in my twenty-fifth year in the equal employment opportunity field. I have served private companies, state and federal agencies, civil rights groups, and the courts in various official and voluntary capacities. I believe very strongly that the problems that we face in this field are among the most important that our nation has today. The fact that they have lower perceived priorities on our national agenda today than they did in the past is, in my view, one of the most serious problems.

The "New Racism"

There seems to be a loss of interest. There seems to be a loss of will. There seems to be a "new racism" emerging in this country. A part of it is a feeling that we've "done enough." No one says that we've solved the problems, but paradoxically there seems to be a general resistance to initiatives toward further integration. This lack of positive support places a great burden on the political leadership of our country and makes solving the workforce problems even more difficult.

I will assume that there is not a single member of Congress who would support the "separate but equal" doctrine that the Supreme Court put forward in 1896 in Plessy v. Ferguson as the legal basis for segregation. However there is a "de facto separate but equal" that seems to be gaining support. It is the partial, but extensive, present segregation based on the expected aftereffects of past segregation. It is the partial segregation of education, housing, and employment that exists today and which is in danger of being institutionalized. Partial segregation is being supported, not by name, but by many small actions and inactions. This "new separate but equal" is an important part of the "new racism" in America.

Another critical facet of the new racism is that many people seem to be ignoring it. It's as if they are hiding from it. It is not being discussed, studied, fought, or effectively countered by non-racists to the extent that it deserves.

The reason that I am going into all this is that H.R. 2235 is greatly impacted by these issues. One of the most effective weapons of the new racists has been to attack all EEO initiatives by calling them "quotas." Anytime that anyone begins to look at numbers in trying to counter any of our present partial segregations, the "new racists" scream: "Quota!" This charge seems to automatically put everyone on the defensive. When you think about it, it's rather strange that we can't seem to successfully articulate the difference between quotas and other uses of comparison numbers. Strange, that is, unless some people don't want to understand the difference because comparison numbers show the partial segregation that they do not want to change.

In the game of golf each hole has a par. It is the expected number of strokes needed to complete the hole. I have never heard of anyone who believed that not achieving par was a violation of the rules of golf. Par is an expectation for comparison purposes, not an inflexible imperative. It's hard to play golf without knowing par. In the same way, it's hard to understand employment statistics without using a comparison number to help provide meaning to the raw statistics. One of the most important goals of H.R. 2235 is to require the BLS to provide comparative data that will allow employers, the OFCCP, and anyone else to better understand the raw numbers of employment integration.

The Development of Workforce Data by the BLS

Determining the availability of women and minorities by Occupation Group by Hiring Area is the analysis framework required by H.R. 2235. I had planned to explain why this method is the correct one and these categories are the minimum ones necessary to conduct a realistic and accurate analysis. However on June 5, 1989, in Wards Cove Packing Co. v. Atonio the U.S. Supreme Court ruled that precisely the system contained in H.R. 2235 is the "proper basis" in a disparate impact analysis which involves the same statistical issues as an Availability Analysis by OFCCP. In general the reasoning put forward by Justice White is the same as I was planning to use. It is the statistical truism that one must compare apples with apples and oranges with oranges.

The Court even goes so far as to say that not using occupation group and hiring area categories "would almost inexorably lead to the use of numerical quotas in the workplace." I don't know whether I agree with that, but it certainly is comforting to have Supreme Court approval in advance.

The need for the data provided by the Bill is thus greater than ever since the data is also now required to help determine compliance with Title VII of the 1964 Civil Rights Act. Employers who want to be sure that they are complying with the law and potential plaintiffs who suspect that there is a violation both need this information to determine whether or not there is a prima facie case of discrimination.

In addition, policy makers and researchers who are and will be concerned with the Workforce 2000 issues will need data to determine our situation as the years pass by.

Considering that the data that we now have is not adequate for any of these purposes, I believe that we must take the necessary steps to develop accurate information.

Employer Reports

The Employer Report provides statistical data; the goals, timetables, and perhaps action plans as the key indicators of the organization's affirmative action program; and what is in fact a self-conducted compliance review by the employer. It replaces the EEO-1 Report, which is almost never used for anything, and the standard verbiage of the present affirmative action plan. It is the key to the fundamental set of trade-offs implicit in the Act.

There are three major parts to the overall design. First, employers who are "good guys" and who are willing to and are trying to integrate their companies can control their fate, not be required to prepare useless paperwork, and not be subjected to compliance reviews. Second, employers who are either discriminating against minorities or are preventing integration using passive methods ("bad guys") will face a tougher system with more teeth. Third, the federal resources devoted to enforcement will be focused on "bad guys" rather than on doing repeated compliance reviews on large corporations (My employer, the Pacific Gas & Electric Co. has had about 45 reviews with few genuine, serious findings). Since companies like PG&E can provide the person doing the review with what he or she needs to complete the paperwork within the OFCCP's "productivity standards," the temptation to keep coming back is understandable.

The Overall Compliance Process Based on H.R. 2235

H.R. 2235 covers only those parts of the compliance process that need to be grounded in law. To understand the effects that H.R. 2235 would have, it is necessary to know the characteristics of the entire compliance process based on the new law. My understanding of that overall process follows.

The attached flow diagram outlines the way that the compliance process would proceed over a two-year period.

YEAR 1 First, the BLS provides interim racial, ethnic, and gender data by occupational group and by hiring area. This data would represent a best first estimate by the BLS based on census data; state employment data; and educational level, major, and degree data.

All employers covered by the Act prepare their Employer Report for year 1. This report lists all of their employees using the same categories throughout that were used by the BLS. As an option an employer may add any occupational groups or hiring areas that the employer determines are needed to properly represent any realities that might be distorted by being limited to the BLS categories. In addition, any other data that the employer would like to use to augment the above can be included. This freedom to add information means that the system will not need to cover every single situation. When it doesn't fit the employer can fix it.

The employer then compares the data in the Employer Report with the BLS data and prepares a Goals and Action Plans (GAP) Report which responds to any apparent underutilization by listing the goals, timetables, and actions to be taken in each case. Any issues involving the impacts of internal pools or any other information that is related to the differences between the BLS and the employer data may be added at the employer's discretion. The employer is, in effect conducting a compliance review on his own company.

The Employer Report and the GAP Report are both submitted to the OFCCP Field Office for review. If they are "not disapproved" then the employer is through for the year (except for the actions promised in the GAP Report). It is very important that the criteria for disapproval are clear so that a properly motivated employer knows what to do to ensure acceptance. If the GAP Report is disapproved then a Compliance Review is triggered to cover the problems. If a Conciliation Agreement results, that ends the process for the year. If a Conciliation Agreement is not reached, then the enforcement proceedings before an Administrative Law Judge are triggered.

YEAR 2 All of the Year 1 Employer Reports are sent from the OFCCP Field Offices to the BLS. They are analyzed to see where employers said they needed to add or change categories. Where patterns occur the BLS may decide that their system should be modified. Also the data in the Employer Reports and any other new data can be added to the Year 1 database to improve the availability estimates.

The rest of the process is exactly the same except for the additions that respond to the commitments made in Year 1. A GAP results section is added to the Employer Report in Year 2 to report the results achieved compared to the commitments made. If a Conciliation Agreement was signed, a similar results section would also be added. The Year 2 GAP Report would add any needed response to the Year 1 results.

Year 3 and those that follow would be the same as Year 2.

This type of compliance system has many advantages:

> The availability data provided by the BLS would save a great amount of work by employers
>
> The Employer Reports and the GAP Reports would require substantial effort, but they can be used as management tools so they would provide greater value to employers than the present AAPs which are generally regarded as almost useless.
>
> By preparing GAP Reports that make Compliance Reviews unnecessary and achieving the results that they promised, employers can keep the whole process under their control and

avoid the expense and disruption that these reviews may cause. In addition, since Compliance Reviews are adversary proceedings the goal is to fight and win. It is much better to have employers devote their resources to achieving the results that will avoid the fight.

These benefits to ethical employers ought to be an acceptable trade-off for the increased teeth that H.R. 2235 adds to the enforcement procedures that are available for use against recalcitrant employers.

The benefits to the federal civil rights effort are also important.

Many employers would be willing to give "more" in a voluntary action plan than they would as part of a compliance review negotiating process after the adversary relationship has begun.

Also in compliance reviews and even lawsuits employers are constantly surprised that they tend not to be "hit" where they are the weakest. In their voluntary activities they tend to try to repair their worst problems.

Recommendations for Changes in the Bill

1. I recommend that the provision for jury trials be removed. I have spent many days testifying as an expert witness in discrimination cases. These cases involved statistical concepts and data that many judges found difficult to understand. Judges have advanced degrees and tend to be very bright. The number of juries that could understand the statistical arguments and successfully apply them is, I suspect, rather small. To allow for jury trials is to facilitate wrongly decided cases.

2. Given the goal to provide advantages to employers who support affirmative action and are willing to be held responsible for their results, while at the same time strengthening the ability to go after the "bad guys," the responsible employers should be insulated from spurious or unnecessary Agency or private actions. This could be done by providing a threshold process at the beginning of every action against an employer to minimize purely bureaucratic activity or the misuse of the powers of the Act by anyone with a private agenda (for example, to publicize a group or an individual).

I recommend that threshold processes be included in the Bill where employers can read them for all four possible actions that can be taken:

A. Accuracy Audit. Clearly limit it to whether or not the employer report is factually correct. Allow it to be conducted only on a strictly random basis or if the employer report fits a pattern defined by regulations that would trigger an audit for accuracy.

B. Complaint Investigation. Require a preliminary determination before the full investigation that there is likely to be a bonafide complaint. As opposed to, for example, a group that is "shotgunning" complaints against all the large employers in their area to publicize something.

C. Compliance Review. Allow a formal review only for these three reasons:

a. The employer report is deficient according to published standards in OFCCP regulations. Either the utilisation analysis is faulty, the goals and timetables do not properly address the apparent underutilisation, or the results from the prior year are unacceptable.

b. A complaint investigation has led to a finding that there is reasonable cause to believe that the complaint is true and that it is not clearly limited to a single isolated individual.

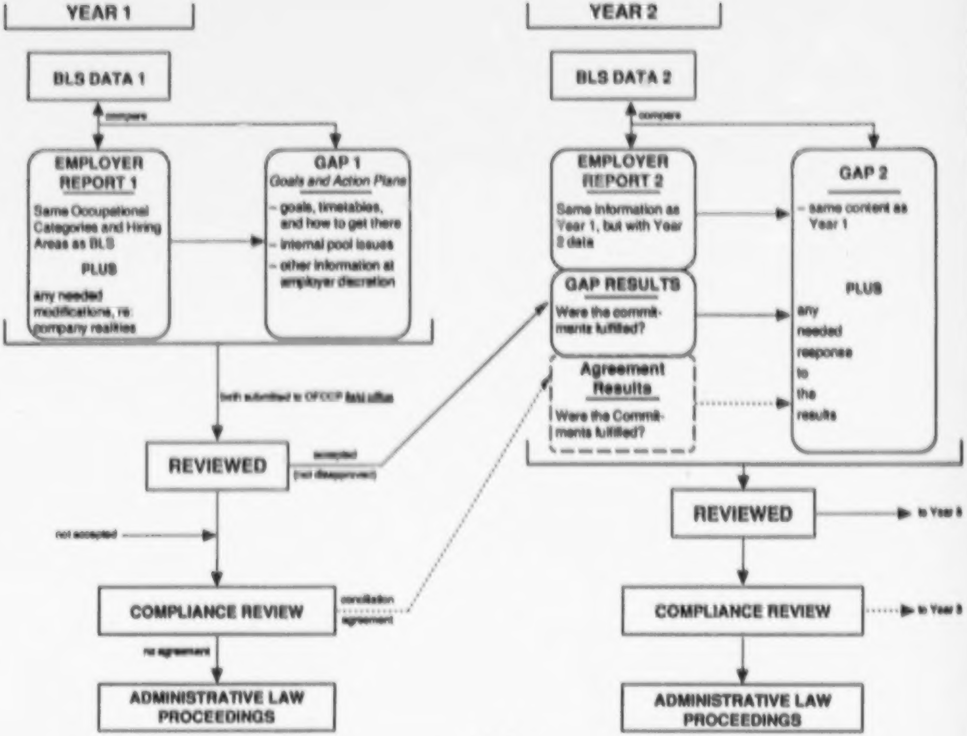
c. An accuracy audit shows other than trivial inaccuracies in an employer report.

In most if not all of these cases a review should be required.

D. Civil Actions. Whether any additional restrictions beyond those already in the Bill should be added would depend on whether or not misuse could be better prevented. I have no specific recommendations.

Conclusions

Using only raw numbers to describe the problems, the Workforce 2000 issues present a daunting challenge to our nation. The additional problems presented by the climate that I have called the "new racism" add to our challenge, but we cannot let a "new separate but equal" institutionalize a virtually permanent underclass. We need information to monitor our course. We need the constant and continuing self-analysis by the thousands of employers who will be required to critically examine their Employer Reports. I believe that H.R. 2235 gives us tools that we would be ill-advised to ignore.


YEAR 1
BLS DATA 1
compare
EMPLOYER REPORT 1
Same Occupational Categories and Hiring Areas as BLS
PLUS
any needed modifications, re: company realities
GAP 1
Goals and Action Plans
– goals, timetables, and how to get there
– internal pool issues
– other information at employer discretion
both submitted to OFCCP field office
REVIEWED
accepted
(not disapproved)
not accepted
COMPLIANCE REVIEW
conciliation
agreement
no agreement
ADMINISTRATIVE LAW PROCEEDINGS
YEAR 2
BLS DATA 2
compare
EMPLOYER REPORT 2
Same information as Year 1, but with Year 2 data
GAP RESULTS
Were the commitments fulfilled?
Agreement Results
Were the Commitments fulfilled?
GAP 2
– same content as Year 1
PLUS
any needed response to the results
REVIEWED
to Year 3
COMPLIANCE REVIEW
to Year 3
ADMINISTRATIVE LAW PROCEEDINGS

Mr. **Martinez**. Thank you, Mr. Burns.

Now, we'll go to Christine Kramer.

Ms. **Kramer**. Thank you, Mr. Chairman and members of the committee. My name is Christine Kramer. I am the Assistant Vice President of Corporate Policy and EEO for Meritor Savings Bank, a $17 billion financial institution in Philadelphia.

Meritor is the oldest thrift in the United States, founded in 1816 as the Philadelphia Savings Fund Society. We currently own a large FDIC institution in Philadelphia as well as FSLIC insured institutions in Washington, D.C., Virginia and Florida.

We employ 3500 people, primarily in professional, financial and office and clerical positions supporting retail banking services, commercial and consumer lending and mortgage servicing. Our experience with and observations about the demographic profile of the labor force as well as the contract compliance program are probably typical of many medium sized companies in the service sector.

Our testimony today is focused on the more practical aspects of Workforce 2000 and this bill rather than the theoretical concepts which have been talked about so much today.

In summary, Meritor supports the overall objectives of House Bill 2235. We believe it is now time for Congress to codify Executive Order 11246 to ensure its permanence and its stability. Such a codification places the contract compliance program on the same statutory footing as Title VII, sends a strong signal that this is an important national priority and insulates the program from swings in the political climate.

In codifying the Executive Order, H.R. 2235 also takes an important step in addressing the key shortfalls of the current program. Affirmative action plans, as required under the current rules, tend to be more of a paperwork exercise than effective tools for affirmative action planning.

In fact, it has been my experience that the preparation of an affirmative action plan is often confused with the actual process of taking affirmative action. This is, I believe, a result of rigid enforcement adherence to a set of mandatory, externally imposed plan requirements that are applied uniformly to all companies regardless of size, business type or business condition.

Given the conclusions of Workforce 2000, there seems to be little doubt that all employers are going to have to take an increasingly creative approach to the process of affirmative action. Under the current regulatory process, this will, at best, be extremely difficult.

In short, it is time for affirmative action to be refocused on the longer term issues with which employers and the nation are confronted—internal mobility of minorities and women, the skill requirements of new workforce entrants, skills obsolescence and the like. Meritor believes, however, that a rigid, inflexible program such as the current contract compliance process leads, by definition, to an equally rigid and inflexible enforcement scheme. However, rather than condemning OFCCP for using such a scheme, we should, in fact, address the underlying program that led to the outcome.

Meritor believes that H.R. 2235 attempts to do just that by eliminating the requirement that all covered employers perform a uniform AAP and substituting in itself a detailed mandatory reporting form. We are concerned at Meritor about the geographic profile of our workforce for two key business reasons.

First, it is important from a competitive perspective to utilize to the fullest the talents of all demographic components of the labor force.

Second, this demographic mix also reflects our shifting customer base. By shifting the focus of contract compliance from rigid, fixed plan preparation to detailed reporting of actual results and outcomes, the bill would allow us to adjust our affirmative action activities in exactly the same way we would if a product offering did not net the profit we anticipated and that we could achieve our desired objectives and goals.

This new format clearly shifts the focus of the contract compliance program to analyzing actual results and outcomes on a consistent, regular basis rather than through a random, compliance review process. It also permits comparisons across industries and geographies, not previously possible and, most of all, focuses on salary deciles or actual earnings of employees, finally addressing a critical issue in the United States.

Until affirmative action actually pervades our economic structure, full equal opportunity will not exist. In this regard, Meritor suggests that the committee provide a clear definition of employee in the bill language.

Companies are increasingly using the services of leased, part-time and casual workers. We believe these workers should be considered part of our workforce for reporting purposes because they represent an automatic applicant pool for positions requiring more hours and, hence, increased opportunity.

We believe, also, that it is the proper and necessary function of government to have the BLS provide relevant benchmark data which Federal contractors can readily obtain in order to fulfill their related obligations.

While we recognize this type of project requires an extensive period of time, we are also cognizant of time passing and our workforce problems becoming more and more serious. We therefore suggest in our written testimony a modification to the implementation schedule using an interim structure within two years of enactment with full implementation within four years.

Our view of the Education Assistance Fund is much like what you heard today. We feel it is very innovative and it will clearly have an impact on the pool of qualified candidates for highly skilled positions which currently are reflected as a deficiency when compared to the national need.

Of particular interest to us is the allocation of funds based upon the established efficiencies and the identification of assistance to students in the elementary and secondary systems to assist them in making earlier and more informed career decisions.

Given the high number of openings we have at Meritor, requiring an equivalent high school education, we are already experiencing difficulty in hiring individuals with basic reading and mathematic skill.

Our ability to provide remedial programs in these skills, as is the case with most other medium-sized companies, is seriously inhibited by the urgent business need to hire individuals able to properly service our customers with only minimal training and by the limited funds at our disposal to engage in such remedial actions. We believe this fund will assist public school systems to some extent in improving the educational process for the students who will eventually make up our applicant pool.

The bill proposes to implement some significant changes to the current OFCCP enforcement scheme, including streamlining administrative hearings, permitting a private right of action for individuals who wish to avoid lengthy administrative processes and establishing civil monetary damage awards, including a million dollar penalty against an employer for each discrimination occurrence as well as treble damages for victims of retaliatory action by an employer.

While our written testimony discusses this area at some length, Meritor's position can be summarized as welcoming the streamlining process that the bill envisions. Complainants and employers alike have the right to obtain a cogent investigation which focuses on the allegations raised and the right to a prompt and fair resolution to these problems.

We are concerned about one of the complaint filing options which permits an employee to bypass the administrative and/or regulatory process and file suit directly in court. Given the perceived intent to follow the precepts of Title VII, we believe this option is counterproductive to both the intent of the bill and the streamlining philosophy which pervades it.

In its place, we would suggest that the tighter timeframe include issuance of a right to sue notice at the appropriate point in the process.

We thoroughly approve of the implementation of a scale of penalties rather than the Draconian all or nothing debarment process. We would suggest the committee might wish to legislate that monetary penalties paid by a contractor be added to the Education Assistance Fund rather than placed in the general treasury.

Also in keeping with Title VII precepts, we would suggest the committee eliminate the jury trial provision since it is not currently available under Title VII.

Thank you very much.

[The prepared statement of Christine Kramer, Esq., follows:]

Testimony of

Christine S. Kramer
Assistant Vice President, Corporate Policy and EEO
Meritor Savings Bank

before the

Committee on Education and Labor
House of Representatives

on

H.R. 2235

Workforce 2000 Employment Readiness Act of 1989

June 15, 1989

Mr. Chairman, members of the Committee, my name is Christine S. Kramer. I am the Assistant Vice President for Corporate Policy and EEO for Meritor Savings Bank, a $17 billion thrift institution headquartered in Philadelphia, Pennsylvania. Meritor Savings Bank is the oldest thrift in the United States, founded in 1816 as the Philadelphia Savings Fund Society. We currently own a large FDIC-insured institution in the Philadelphia area as well as FSLIC-insured institutions in Washington, D.C., Virginia and Florida. We employ 3500 people primarily in professional, financial, and office and clerical positions supporting retail banking services, commercial and consumer lending, and mortgage services. Our experiences with and observations about the demographic profile of the labor force and about the contract compliance program are probably typical of many medium size companies in the service sector.

While my testimony today represents Meritor's position on this legislation, my personal professional experience in the area of equal employment opportunity and affirmative action includes a total of 17 years with one of the largest electronic manufacturers in the United States and with one of the largest publishers in the world. Both companies have significant contracts with the federal government, and thus are highly involved in the area of contract compliance. My professional responsibilities have focused on establishing and maintaining compliance with existing equal employment opportunity and affirmative action laws and regulations, and developing practical business applications to advance the employment and promotion of minorities, women, Vietnam veterans, and the handicapped. As a result of these responsibilities, I have extensive experience working with the EEOC and the Office of Federal Contract Compliance Programs (OFCCP). Thus, I have been able to observe closely OFCCP's actions during its various phases of transition over the past decade. These responsibilities have also afforded me the opportunity to observe first hand the impact of changing demographics on company manpower and staffing plans and the role the current contract compliance program has played in allowing companies to adapt to these changes.

In summary, Meritor supports the overall objectives of H.R. 2235. We believe it is now time for Congress to codify Executive Order 11246 to ensure its permanence and stability. Such a codification places the contract compliance program on the same statutory footing as Title VII, sends a strong signal that this is an important national priority, and insulates the program from swings in the political climate.

AFFIRMATIVE ACTION PLANS

In codifying the Executive Order, H.R. 2235 also takes an important step in addressing the key shortfalls of the current program. Affirmative action plans (AAPs), as required by the current rules, tend to be more of a paperwork exercise than effective tools for affirmative action planning. In fact it has been my experience that the preparation of an AAP is often confused with the actual process of taking affirmative action. This is, I believe, an outcome of rigid enforcement adherence to a set of mandatory, externally imposed plan requirements that are applied uniformly to all companies regardless of size, business type and business conditions.

The AAP requirements of the Executive Order were, at their inception in 1971-1972, an important and valuable step in furthering affirmative action objectives. At that time, the concept of affirmative action was still in its infancy -- a concept not fully understood by the business community. At that time, the primary concern was getting minorities and women into company workforces. By requiring AAPs to include a fixed set of elements probably did, in retrospect, help employers focus their attention on how to go about achieving the immediate affirmative action objective -- i.e., increasing the number of minorities and women in their respective workforces.

However, as employers became more sophisticated and more knowledgeable about affirmative action planning, and as the employment environment began to change, the shortcomings of the current AAP process became evident. First, this AAP approach is best suited to large, manufacturing-type environments -- a structure prevalent in the early 1970s but not so today. Second, AAP preparation is basically a "reactive" process. The contractor prepares the plan, implements its objectives, and waits to be reviewed on these objectives. Given the size of the federal contractor community and the limits of OFCCP's resources, it is impractical for the agency to review all contractors on a regular basis. Third, except for broad EEO-1 data, OFCCP can only collect information about contractor progress through the compliance review process. There is no mechanism in place for the agency to do routine monitoring of contractor progress and thus effectively target appropriate enforcement efforts. Finally, and perhaps most important, demographic research and company experience has indicated that the problem is no longer getting minorities and women into the workforce. Rather, affirmative action issues focus on internal mobility of minorities and women, skill requirements of new workforce entrants, skills obsolescence, and the like.

These problems are more complex and do not lend themselves to simplistic, rigid programs that seek to apply a uniform set of externally-imposed standards on all employers -- standards that are more concerned with the "how" of the process rather than with its outcomes and results. Because of the anachronistic nature of current AAP requirements, many employers have found themselves in the position of having to keep essentially two sets of records. The first is the written AAP that meets current Executive Order program requirements in order to fulfill the review needs of OFCCP. The second is the actual business plan, normally expressed in numerical terms, that is tailored to specific company needs and objectives, is focused on outcomes and results, and against which managers are measured.

The problem of trying to address the new, more complex issues of affirmative action has also affected OFCCP's enforcement effort. The agency has recently revised and reissued its Contract Compliance Manual. While this revision has afforded federal contractors additional insight into how OFCCP evaluates affirmative action plans, it also continues rigid enforcement requirements and allows little if any variation for individual business objectives and operating needs. Viable strategies for increasing employment opportunities for minorities and women cannot be assessed by rigid and inflexible formulas, nor should contractors be forced, for example, to utilize sources of candidates that are unresponsive to their specific business needs solely because OFCCP demands it. A rigid, inflexible program, such as the current contract compliance process, leads by definition, to an equally rigid and inflexible enforcement scheme. However, rather than condemning the agency for utilizing such a scheme, we should, in fact, address the underlying program that led to this outcome. Meritor believes that H.R. 2235 attempts to do just that by eliminating the requirement that all employers prepare a uniform AAP and substituting in its stead, a detailed mandatory reporting format.

THE REPORTING REQUIREMENTS

Meritor is concerned about the demographic profile of its workforce for two key business reasons. First, it is important from a competitive perspective to utilize to the fullest, the talents of all demographic components of the labor force. Second, this demographic mix also reflects our shifting customer base. By shifting the focus of the contract compliance program from rigid, fixed plan preparation to detailed reporting of actual results and outcomes, H.R. 2235 allows us to adjust our affirmative action activities in exactly the same way we would if a product offering did not net the profit we anticipated so that we could achieve our desired objectives and goals.

As a result, Meritor enthusiastically supports the reporting format envisioned by this bill. First, all employers will now be reporting detailed results of progress under the contract compliance program on a common, universally used reporting format. Second, the new reporting format will provide more detailed occupational category information than that encompassed by the nine broad groupings found on the current EEO-1 report.

Third, and most important, the addition of reporting the workforce profile by salary decile, or actual earnings, focuses, we believe, on a critical issue: until affirmative action actually pervades the economic structure of the United States, full equal opportunity will not exist. The salary paid to an individual truly reflects the company's view of his/her value to the organization in a tangible way that organization charts, occupational categories and job titles cannot. Salary decile data also has another significant benefit: it allows balanced comparisons among companies in various regions and industries that are not possible when relying solely on occupational category or job title.

The proposed reporting format also represents a proactive approach to contract compliance enforcement that allows OFCCP to identify those employers who require follow-up enforcement action. This identification can now be based on actual affirmative action results rather than on random review selection. In preparation for our testimony here today, I discussed this proposed reporting format with a group of key Meritor line managers. Their reaction to this new report was "this sounds a lot like an IRS tax return". While none of us are particularly enamoured with IRS tax returns, we all must recognize that it is an efficient method of collecting relevant data for analysis and potentially, further investigation, in a consistent, effective way.

We would suggest, however, that a definition of "employee" be included in the bill given the continuing confusion inherent in the current EEO-1 report requirements. Companies are increasingly using the services of leased, part time, and casual workers. Meritor believes that these employees should be considered part of the employer's workforce for purposes of the reporting requirements envisoned by this bill in that they represent an automatic applicant pool for positions requiring more work hours, and hence, increased economic opportunity.

BLS OBLIGATIONS

The section of the bill relating to the Bureau of Labor Statistics and the studies they would undertake in support of the tenents of this bill are also, in many respects, long overdue. Given the number of years a contract compliance program has been in place, it has been somewhat disquieting that in order to obtain viable statistics by specific occupation, contractors seriously committed to affirmative action had to purchase specially indexed data from independent manpower planning companies. In our view, it is the proper and necessary function of government to have the Bureau of Labor Statistics provide relevant benchmark data which federal contractors can readily obtain in order to fulfill their related obligations to a contract with the federal government. This requirement further permits analysis across industries who utilize the same

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skills without being bound by company specific labels. We are confident that the BLS will be thorough and prudent in the studies they conduct dealing with "hiring areas" and "fungible jobs". In our view, the definition and application of these two concepts are crucial to the effective implementation of the proposed bill. In this regard, we feel it may be appropriate for the Committee to provide some additional guidance to BLS on how these two concepts should be applied.

IMPLEMENTATION SCHEDULE

Another concern we have at Meritor relates to the implementation schedule of the bill. While we understand that BLS needs to have an extensive period of development, comment on methodology and implementation for proper reporting formats, we do not believe implementation of the entire bill should require a 4 year time frame. We would suggest that the Committee seriously consider a phased implementation as follows:

1. Within 2 years from the date of enactment, BLS will develop an interim reporting format for implementation, comment and data collection; and DOL will develop interim implementing regulations to begin contract monitoring under the new bill.
2. Within 4 years from the date of enactment, all provisions of the bill must be fully implemented.

This approach would allow BLS to obtain hands-on comment for the reporting mechanism while utilizing the data as part of the study they have been contracted to conduct. Until the interim reporting mechanism is developed and disseminated to the contractor community, the existing regulations should be clearly delineated as still being in effect and contractors instructed to continue developing AAPs under the applicable regulatory structure. On the date the interim report mechanism and associated interim regulations are issued (i.e., no later than 2 years from the date of enactment) the provisions of this bill will become effective.

THE EDUCATION ASSISTANCE FUND

Meritor views the Education Assistance Fund as an innovative approach to furthering the pool of qualified candidates for highly skilled positions which currently reflects a deficiency compared to the national need. Of particular interest to us is the allocation of funds based upon the established deficiencies and the identification of assistance to students in the elementary and secondary systems to assist them in making earlier and more informed decisions of career directions. Given the high number of openings we have at Meritor requiring an equivalent high school education, we are already experiencing difficulty in hiring individuals with basic reading and mathematics skills. Our ability to provide remedial programs in these skills, as is the case with most other medium sized companies, is seriously inhibited by the urgent business need to hire individuals able to properly service our customers with only minimal training and by the limited funds at our disposal to engage in such remedial actions. We believe this Fund will assist public school systems, to some extent, to improve the educational process for the students who will eventually make up our applicant pool.

We support the proposition contained in H.R. 2235 that companies should be encouraged to continue their current funding of tuition reimbursement programs and other internal training programs, and that contracters involved in such activities should have allocated contract contribution amounts appropriately reduced.

THE ENFORCEMENT PROCESS

The bill proposes to implement some significant changes to the current OFCCP enforcement scheme including streamlining the administrative hearing process, permitting a private right of action for individuals who wish to avoid the lengthy administrative process, and establishing civil monetary damage awards including $1 million penalty against an employer for each discrimination occurence as well as treble damages for victims of retaliatory action by an employer. It is on this portion of H.R. 2235 that we will concentrate our testimony.

It has been an established practice since the implementation of the Executive Order Program, that employees of federal contractors could file discrimination complaints with OFCCP, challenging, in effect, the employer's right to continue as a federal contractor. When a complaint has been filed with OFCCP, the typical OFCCP response was to initiate a compliance review of the contractor as the means of investigating the discrimination allegation. This approach often led to a significantly expanded approach to resolution (e.g., attempting to identify a class of individuals) rather than attempting to resolve the specific allegation made. We have not been supportive of this approach and welcome some of the changes proposed here.

The current investigatory approach, by virtue of its incorporating the compliance review process, significantly increases the time for resolution of some type between the contractor, OFCCP and the Complainant. When the Complainant is currently in the employer's workforce, extensive resolution time imposes tremendous pressures on the Complainant and the employer and often impacts on the employer's ability to effectively manage its business. The bill's requirement to require resolution within 120 days of the filing date, should act as a significant improvement of the process in this regard.

At present, a Complainant may file a discrimination charge simultaneously with both EEOC and OFCCP alleging discrimination based upon the same set of facts and circumstances. This is often done as a hedge against one or the other agency providing what the Complainant would find as an unsatisfactory resolution of his/her complaint. The provision in H.R. 2235 that would require an agency choice on the part of the Complainant to preclude the current "dual-filing" process, is a long overdue addition to the regulatory process. However, we would suggest that when DOL defers a complaint to EEOC, that EEOC retain jurisdiction of the complaint rather than deferring it further to a state or local 706 agency. To implement this provision would require, we believe, the inclusion of additional language in this bill to eliminate any ambiguity that may arise as a result of the deferral to state and local agency provisions currently in Title VII. This language is further important because of the intent of H.R. 2253 to expedite resolution. Deferral down through several regulatory layers will only cause to proportionately increase the time it will take for that resolution.

The bill essentially provides three ways in which an individual complaint can be filed. The first method is administrative: a complaint is filed with the Secretary alleging a violation of the law. OFCCP has 120 days to investigate and resolve the complaint by informal persuasion and conciliation. If those efforts fail, the Secretary may institute an action before an Administrative Law Judge (ALJ). If an individual filed the original complaint, he/she may intervene at this level and the ALJ may appoint an attorney to represent the individual's interests. The second method would be for a Complainant to bypass the administrative process and proceed directly to federal district court for relief. However, this method is not available if the administrative method was instituted. The third option is to file a mandamus-type action against the Secretary to require enforcement. However, in order to accomplish enforcement through this third option, the Complainant must be in a recognized ethnic, racial or gender category and must be a member of an underrepresented occupational group as reported in the most recent data report submitted by the employer to OFCCP.

From an employer perspective, it is method 2 which provides the most reason for concern. In no other civil rights legislation (except the Civil Rights Act of 1866) is an individual permitted to file a court action without some period of administrative or regulatory review. The imposition of an administrative review process serves well to reduce the number of frivolous suits imposed on an employer and the court system. It further assists a Complainant in getting equitable relief by encouraging him/her to utilize the expertise within the enforcing agency and in obtaining prompt relief -- options that are clearly not available in an expeditous manner when the Complainant relies only on a formal judicial process. Therefore, this particular option for filing a complaint appears to be in conflict with the intent of H.R. 2235 to streamline the contract compliance process.

We would suggest that the provisions of the bill allowing for individual civil actions be modified to require that all complaints regarding alleged contract compliance violations be filed first with OFCCP for investigation and resolution. Within 120 days after the filing of the complaint, OFCCP must notify the Complainant of the status of its investigation. If OFCCP has filed a complaint with an ALJ, the process encompassed in method 1 described above would apply. If the OFCCP is still continuing its investigation, the Complainant may either allow OFCCP to continue in this regard or request that OFCCP issue to him/her a right-to-sue notice. This right-to-sue notice would then allow the Complainant to file a civil action in district court for resolution of the complaint. If OFCCP determines that, in its view, there is no probable cause for the complaint, the agency would also be obliged to issue a right-to-sue notice to the Complainant to allow him/her to pursue the action further in court.

In addition, the implementation of a scale of penalties clearly resolves the current unrealistic "all or nothing" remedy of debarment. This draconian penalty has, for all practical purposes, not been a viable inducement to contractors to modify internal processes deemed by OFCCP to be in violation of the Executive Order. The administrative relief option of a civil penalty against an employer of an amount not to exceed $1,000,000 for each violation provides a reasonable and flexible means for assessing a penalty against such an employer appropriate to the nature and severity of the violation. Meritor suggests that should penalties of this nature be assessed, the penalty amount be paid by the contractor to the Education Improvement Fund.

Given the past difficulty experienced in obtaining resolution to enforcement actions initiated by OFCCP because of the Secretary of Labor requirement to review all decisions by Administrative Law Judges, we support the elimination of this review level. We support the provision that allows the right of appeal directly to the U. S. Court of Appeals.

With regard to the section dealing with civil actions filed by private persons, we believe it is appropriate to extend the private right of action to individuals covered under section 503 of the Rehabilitation Act of 1973 and Section 2012 of Title 38, relating to veterans of the Vietnam era. The bill currently provides a limitation period of 1 year on the filing of such an action but this limitation period does not include the time it may take for the administrative process to be completed, which effectively tolls the violation significantly beyond the 1 year period. With the recommendation previously made to impose a minimum period of agency review, we believe the limitation period will be effectively reduced to a more manageable level both for the Complainant, the employer and OFCCP.

In many ways this bill reinforces Title VII precepts which have worked well in the past for both complainants and employers. The Title VII enforcement scheme does not permit jury trials for complainants and we urge the Committee to adopt language making the bill consistent with Title VII in this regard.

STATE AND LOCAL CONTRACT COMPLIANCE

Meritor clearly supports the codification of the Executive Order as described in H.R. 2235. We would suggest, however, that this bill provide an opportunity to correct issues which have created difficulties for contractors under the current OFCCP regulations. Any federal contractor who is a multi-state employer has been confronted with conflicting contract compliance requirements between OFCCP and any given State or local entity. These conflicts are often substantial and require acceptance on the part of the contractor, of requirements which far exceed those at the federal level and, in fact, often create areas of significant liability to the contractor. While we recognize there are constitutional states rights issues involved here, we also would urge the Committee to attempt to enduce state and local governments to adopt the new federal provisions of contract compliance. One way of encouraging this might be to share federally collected data with states whose contract compliance provisions closely mirror those of H.R. 2235.

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We appreciate this opportunity to present to the Committee our views on H.R. 2235 as proposed. We would be happy to answer any questions the Committee might have about our testimony or to provide it with any additional information we may have that would assist the Committee in its deliberations.

Mr. **Martinez**. Thank you. I have got to be careful what I say. We have Mr. Smith with us now.

Mr. **Smith**. What have I missed?

Mr. **Martinez**. Mr. Jones, you know, your statement at the beginning brought back into my memory something that happened and it is a whole big part of this problem. So many times, we, as individuals, whether we are in Congress or on a local city council or in a particular group, we are wined and dined by major corporations so they can show us what they are doing in affirmative action.

I am not going to name all of the organizations that I have dealt with and how they make us feel comfortable and make us feel wanted, you know. But, you know what?

Robert Ferrell, a city councilman in L.A., and I were up at a major company one day. I won't name the company. They were meeting. He said, "Wait a minute. Stop. I'm going to stop you right now." He said, "Look. Here is a beautiful lunch you prepared for us with fine wine. Hey. It makes me feel like a big shot."

He said, "But, do you know what? That doesn't cut any ice with me." He said, "You know what? As I walked through this grand tour you gave us of your business place here, I didn't see one person in any of the administrative offices that looked like me." He said, "I didn't see one person in any of those offices that looked like him." He pointed to me.

He said, "I didn't even see them in some of your highly technical jobs that are well paying. I didn't see anyone, so don't tell me what you are doing for us as minorities because you wined and dined me. What are you doing for the minorities that are out there banging on your door looking for a job and are qualified?"

You know, that made a lot of sense. I think sometimes, some of us sell out too cheap instead of being demanding. Let me tell you, your company allowing you to testify and to be a benefit to our effort here is great. But, you know what? The utility companies in California have the most miserable rate of affirmative action that I have ever seen. In fact, they are going backwards.

But, they do have some very nice tokens in visible places. Do you know what it really brings to mind? The good old boys in that corporate office up there, they say, "Let's do this and let's do that and let's talk about these plans and let's even give support to the passage of them."

But, they do nothing to really bring those people through that glass ceiling that was referred to earlier. They allow them to sit there and bump their heads up against that ceiling until their brains are knocked out and they don't get anywhere. They just get frustrated.

The point is that if those people in those offices would do more reaching down—you know, I don't have to tell you how the circuit goes: You look like me. I like you. Come on, I'll show you what the ropes are and how to get by and how to be successful in this job as we promote you upwards, and then pretty soon, you are one of the good old boys.

If you are a woman and a minority, they say, "You are going to make it on your own. If you can't somehow overcome every obstacle we place in your way and make it through somehow because some government entity forces us to be in compliance with some affirmative action plan, we'll do it, but you are never really in." So, it is hard for anybody else to get in.

You said earlier that seeing people of a like kind succeed gives that impetus to others of that kind to succeed. But mostly, I'll tell you right now, in the black and Hispanic community, at least, and even in the Asian community and some of the other communities I've seen, the way they succeed is to become entrepreneurs themselves.

If they cannot get promoted to president of the company, they create their own company and get promoted to president. That is the only way they have been doing it.

If you look across the board, there is a miserable response to an affirmative action plan and a miserable response to Executive Order 11246 which has been in existence for over twenty-some odd years.

As I have held hearings on affirmative action in the aerospace industry, not even the office of the Federal Contractor Compliance has really debarred any of these people from their miserable performance. We have put penalties on it and, man, lots of luck on getting those penalties passed.

I can see some people will say, "Hey, wait a minute. This is too punitive. Never mind." The recent court decisions that have been handed down, really, what they are doing is negating all of the years of progress we have made coming to this point in time.

Really, what they are doing is they are telling a segment of America, "Hey, you had it too easy. We are going to make you struggle a little more. We are going to set you back about twenty years." That is what they are really saying.

No matter how successful these people in these positions have proven they are and how much of an asset they are, big business continues to believe that it is bad business to have an affirmative action plan.

The truth and reality is they do not get that misunderstanding when they are trying to get you as a customer. Coors Beer, Budweiser and the rest of them are giving great big gifts to a lot of Hispanic organizations but I still do not see anybody in their corporate offices.

They are saying, "Well, we will do this for you because we want your business. You are a big buying market out there, a big, big buying market. You are contributing to our success."

If we pass this bill, if we are fortunate enough and through the grace of God, we will, maybe not exactly as it is presented now and maybe not with the stiff penalties, but I agree with you and I think you've done a wonderful job in laying out the chart, but I still see a lot of loopholes in there: accepted, not approved, not accepted and various ways to go, stalling actions.

It is still better than what we have. I agree with that. I am hopeful for any improvement because it means that we all really become equal, as the Constitution envisioned we would. I guess those of us who are still struggling with this are grateful for any little progress we make. But, we need a whole lot of support from other than the people that have continually fought this battle.

Mr. SMITH. Will the Chairman yield for a second, because we are all about to go vote, I think, and we've got ten minutes.

Mr. MARTINEZ. Yes.

Mr. SMITH. I just, Ms. Kramer, would be pleased if Meritor is willing to give us an example or a construction of what it might look like or what language might look like that would create the difference between rigid compliance and flexible outcomes.

In other words, would you be willing to go back and work with your people to give us some language or a couple of pictures or whatever as to how that might actually work? I infer, perhaps incorrectly, some tension between what you and Mr. Burns are saying in terms of approach as opposed to outcome.

I am not after a response. As long as you nod, that is all I need.

Secondly, Mr. Jones, if you have anything in writing or are willing to articulate a little further on the setting and enforcing of standards in education, it is something you heard some conversation about earlier, and what the appropriate role of the Federal and the state and the local levels are.

We have got to do it, but the question is who sets them, who enforces them and who chooses them. To the extent that you have done or have access to thinking about that, we are always looking for new models.

I am not trying to put you on the spot. I am just saying if you can take it a step further in sending it to the committee, I think we would all be real interested in seeing it.

Mr. JONES. If you read my statement, I think that will take you about an hour. If that's not enough, I will be glad to send you more.

Mr. MARTINEZ. Very good. We have to go vote and so, I would say that your testimony has been excellent. I did not mean to get off on a tangent there. It is just that sometimes, some people say things that strike a chord from the experiences I have had that I want to see some real progress, not a lot of lip service and not a lot of things in place that nobody pays any attention to.

We have had, like I said, Executive Order 1126 in place for a long, long time. Even today, there are five agencies that are recalcitrant, government agencies that are recalcitrant, in providing EEOC with affirmative action plans, so that just shows you a great disregard, not from people like yourselves.

I want to make that clear, but it is the other people that we have to somehow educate to the fact that it is good business to include everybody.

Mr. JONES. Mr. Chairman, I would like to say one other thing, if I might. I would like, if at all possible, for this legislation to promote, to prompt, to initiate, to be a catalyst, not to confront business but to really get serious about honest problem definition, problem solution, senior executives, CEOs.

President Bush has made some beautiful statements. Let's do some of that arm twisting that Lyndon Johnson used to do. Let's do some objective problem analysis of where we stand. It took us 25 years to get here. Why didn't we go further? Let's get some real views now and let's get some CEOs that say, "By God, I'm going to fix this."

Let's give some recognition as opposed to just penalties. Let's really give them an advantage, whether it is on some kind of a tax benefit, whether it is some type of advantage as far as a contractor, but let's get serious about solving it.

I say that because while legal confrontation has got to be there, I think it is a last resort, because you do not really solve problems in a confrontative mood. Comfort and feeling at ease and trust is required for upward mobility, not confrontation.

I would like to see this be an opportunity to start to get serious about problem definition and definitions of how we can get there together now, with senior executives and the government.

Mr. MARTINEZ. You hit two keys. One is that it has to start with the CEOs. They have got to be a hundred percent for it and then it will happen.

The other thing you hit, and Mr. Burns actually touched on it a little bit, you said that they are hiding it. They think they are hiding it. They are not hiding it, not to the people that are concerned about it.

That's the key. Educate them to the fact that, "Hey, you are not fooling anybody." Now, you have got to get behind this and it starts, like I say, with the CEOs.

Thank you very much for you testimony and for being with us today. We are now adjourned.

[Whereupon, at 1:25 p.m., the committee was adjourned.]

[Additional material submitted for the record follows.]

STATEMENT BY
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
TO
THE HOUSE COMMITTEE ON EDUCATION AND LABOR
ON H.R. 2235
THE WORKFORCE 2000 EMPLOYMENT READINESS ACT OF 1989
JUNE 30, 1989

AGC is:

- More than 32,500 firms including 8,000 of America's leading general contracting firms responsible for the employment of 3,5000,000 - plus employees;
- 105 Chapters Nationwide;
- More than 80% of America's Contract Construction of Commercial Buildings, Highways, Industrial and Municipal-Utilities Facilities.

The Associated General Contractors of America welcomes the opportunity to comment on H.R. 2235, the "Workforce 2000 Employment Readiness Act of 1989." The construction industry's future workforce needs are one of AGC's top priorities, on which AGC is available to work cooperatively for real and concrete results with every component of the construction industry.

Last year, House Education and Labor Committee Chairman Hawkins (D-CA) introduced a very similar bill, H.R. 4903, that made no reference to Workforce 2000. That bill was entitled the "Federal Contract Compliance and Workforce Development Act of 1988." If the new bill truly seeks to prepare the American workforce for the year 2000, AGC urges Congress to become totally familiar with:

- the Labor Department's Apprenticeship 2000 study;
- the Hudson Institute's Workforce 2000 Report, which is noteworthy for its glaring failure to identify construction crafts as rapidly growing occupations;
- the construction industry's ongoing efforts to meet its future workforce needs;
- the failure and inherent unfairness of coercive efforts that retard progress and are actually counterproductive

in an industry that faces a growing scarcity of workers.

Further, AGC recommends detailed examination of H.R. 2235 with the option of removing from it even the remotest semblance of coercive intent or purpose and instead, addressing this important issue by accepting a few basic premises as follows:

- the construction industry is dedicated to expanding its workforce;
- the industry wants workers with basic education skills that will enable them to be trained for construction careers; and
- the industry provides many different avenues for growth and advancement.

AGC encourages Congress to write legislation that rewards instead of coerces employers -- that genuinely encourages good citizenship, and that will advance the interest of all who will be dedicating themselves to a rewarding construction career. AGC also encourages Congress to enact color blind and sex neutral legislation so that we can achieve the building of a one-nation America.

DATA COLLECTION

Section 2 of H.R. 2235 authorizes the Bureau of Labor Statistics (BLS) to collect additional data and determine the availability of workers of the various racial, ethnic and gender groups, in order for the federal government and contractors to determine the utilization of such groups within their workforces.

AGC supports the overall concept of improving the collection of valid and usable statistical information on the nation's workforce by the Bureau of Labor Statistics (BLS). There is, in AGC's view, a pressing need for more occupational and localized data, particularly with respect to construction craft workers. Local data is particularly important in the construction industry because a vast majority of construction contractors operate in a small, localized geographical area and national statistics will be meaningless to them since they draw on a localized labor market. Thus, nonregionalized national statistical information on craftworkers may be misleading for a number of localities.

Nonetheless, AGC believes that the statistical information collected under this bill could be collected more efficiently and in a less costly manner if the specific methods of accomplishment were left in BLS' discretion. As a threshold matter, it is AGC's understanding that much of the data collected under this bill will be available through the 1990 Census. Thus, using existing data bases and existing surveys might prove to be more efficient. In addition, cost saving considerations, such as using the 1990 Census data, should be favored because the data collection efforts proposed will probably exceed the approximately $42 million expected to be available annually for this particular data collection effort.

AGC has other concerns regarding the data collection section of this bill, which include:

- vague concepts on which it may prove difficult to reach common understanding, including the use of "participation rate changes" (sec. 2(a)(4)(b)), "compensation of workers" (sec. 2(e)), and "persons qualified" (sec. 2(f)(1)(B));

- a mandate that the already overloaded paperwork requirements imposed on employers be massively increased by cumbersome and burdensome data collection provisions (See sec 2(a)(2)). These new requirements hit even harder on construction contractors given the highly transient nature of our industry's workforce;

- the establishment of an Advisory Council (sec. 2(j)). The council contemplated would be duplicative of existing BLS advisory groups. In addition, the composition of such a council, as proposed, would be heavily weighted with members who are under no reporting requirements and therefore not sufficiently conversant with the existing problems to provide a realistic assessment of the reporting requirements.

EMPLOYER REPORTS

Section 3 of H.R. 2235 seeks to streamline the reporting requirements of federal contractors who must now report separately to the Equal Employment Opportunity Commission (EEOC) and the Office of Federal Contract Compliance Programs (OFCCP).

AGC strongly supports the bill's objective to streamline these reporting requirements. In this regard, AGC supports the bill's provision that creates a single report that will be used by both the EEOC and the OFCCP. This proposal is long overdue and will satisfy a complaint voiced by federal contractors about the duplicative efforts required in complying with EEOC and OFCCP reporting requirements.

AGC opposes, however, those provisions in the employer report sections that needlessly increase the reporting requirements for construction contractors. Sections 3(b)(1) and (2) require additional information regarding a construction contractor's noncraft employees, expanding the reporting requirements under Executive Order 11246. This information has never been required of construction contractors in the past and AGC is not aware of any legitimate justification for its inclusion now. Unfortunately, this unnecessarily punitive approach will not aid the construction industry's principal objective -- to train our industry's future workforce.

EDUCATION IMPROVEMENT FUND

Sections 4-6 of H.R. 2235 create an "Education Improvement Fund" by deducting from all federal contracts (including federally funded projects) a certain percentage of each contract to provide (1) scholarships for higher education students from underrepresented racial, ethnic or gender groups to pursue careers in which they are underrepresented and in which there is a national need, and (2) grants to state and local educational agencies, vocational educational institutions, higher educational institutions, and community-based organizations engaged in education and training programs to provide more effective programs for educationally disadvantaged individuals who are members of underrepresented racial, ethnic, and gender groups. It has been estimated that the fund would collect more than $850 million each year.

AGC must voice strenuous objections to this portion of the bill. AGC believes that this "Education Fund" will ultimately have a negative impact on the construction industry's ongoing efforts to deal with its serious workforce shortages. Rather than assist the construction industry's efforts to train its workforce for the year 2000, this bill will drain already scarce industry resources.

First, a very small portion, *if any*, of the funds collected by this fund will wind up going toward training construction craft workers notwithstanding that a large percentage of the funds will be contributed by construction contractors. This inescapable conclusion is based on the fact that the bill envisions two *types* of grants -- section 5 grants devoted *exclusively* to institutions of higher education, and section 6 grants to be awarded to state educational agencies, local educational agencies, institutions of higher education, vocational educational institutions and community-based organizations engaged in educational training programs. Pre-apprenticeship programs are one of *seven* designated uses of the grants contemplated in Section 6 grants. It is probably no coincidence that of the seven uses of these funds, pre-apprenticeship programs are listed last. Unfortunately, this reflects the bill's lack of emphasis on preparing individuals for skilled craft worker training. The net effect will be that construction contractors will be financing the training of individuals on behalf of other industries, thereby draining our already scarce resources for needed construction craft training.

Second, H.R. 2235 envisions that the "Education Fund" will be distributed through the Department of Education, and will receive advice from a fifteen person "Fund Advisory Board" (sec. 4(c)). The bill also requires the appointment of a Director of the Fund employed in the Department of Education (sec. 4(d)). This is, in our view, needless administrative layering that will predictably drain monies from the training activity vitally needed in all industries and will serve no useful purpose in solving the serious workforce problems projected for the construction industry.

Third, the "Education Improvement Fund" is directed to "underrepresented racial, ethnic, or gender groups" (sec. 5(a) and 6(a)). Thus, the intent and practical application of the fund is to distribute "scholarships" and grants to minorities and women to the exclusion of nonminorities and males who might also be worthy of this program. AGC finds this approach both practically and legally vulnerable to strict judicial scrutiny.

AGC has directed its recruitment and training to all segments of our nation's population, including minorities and women. Given the workforce shortages projected for our industry, AGC finds particularly troublesome the suggestion that such funding may and perhaps should be limited to any one segment or segments of our society.

AGC must also voice a more technical, legal objection to the fund's preference for minorities and women. As stated by the Supreme Court, "Any preference based on racial or ethnic criteria must necessarily receive a most searching examination to make sure that it does not conflict with constitutional guarantees." Fullilove v. Klutznick, 448 U.S. 448, 491 (1980) (opinion of Burger, C.J.). There are two prongs to this examination. First any racial classification "must be justified by a compelling governmental interest." Second, the means chosen by the State must be "narrowly tailored to the achievement of that goal." Fullilove, 448 U.S. at 480.

Applying these principles to this bill, H.R. 2235 does not contain any evidence of discrimination such as would warrant a compelling governmental interest in a race-conscious program. The Supreme Court recently announced that, without prior findings of discrimination, a program necessarily fails the second prong of the "strict scrutiny" standard since a program can hardly be "narrowly tailored" to redress a particular discriminatory wrong where that wrong has yet to be identified and precisely defined. City of Richmond v. J.A. Croson Co., 57 USLW 4132 (1989).

Fourth, section 12 of the bill explicitly prohibits passing through any costs assessed against an employer under this bill, including an assessment for the educational fund. If this bill becomes law, contractors will have to pass along the costs of this educational fund in their federal contract bids. In the real world, costs of doing business are borne by the consumer. This will inevitably drive up construction costs and, indirectly, the costs to the taxpaying public. The real tragedy is that there is no return on the investment. The construction industry will receive no funding support, for example, to develop a trained workforce, despite the reality that this is an industry where profit margins are only 1-2%.

AGC agrees with the stated objective of H.R. 2235 in increasing the productivity of the American workforce in the twenty-first century. AGC also agrees that education and specific industry training are absolutely essential for our nation's continued success.

Education must be accomplished and funded by our educational system, while training must be carried out by industry. The two functions are interrelated but separate. Unless the educational system produces individuals with the basic cognitive skills necessary to progress in industrial manipulative training, then the industrial training becomes nothing more than remedial tutoring on basic subjects, such as reading, communication and mathematics.

The basic education of our nation's future workforce is a public responsibility; not the responsibility of specific industries. Therefore, the public education of our nation's future workforce should look to government for funding. Furthermore, the goal of public education should be to educate all individuals, regardless of their race, ethnic background, national heritage or gender; no education funding program can focus discriminatorily on only selected segments of the American workforce, excluding others who, by accident of birth, do not share the same characteristics.

According to the Construction Labor Research Council, there are expected to be 12 million fewer new entrants into the labor force over the next 14 years, compared to the last 14 years. Older workers, who account for a large portion of construction craft workers, have been retiring at earlier ages for the past decade. The average carpenter is now 50 years old.

More than one-half of those responding to an Associated General Contractors of America survey of open shop general contractors across the country report at least some scarcities of craft workers in their area. Carpenters and equipment operators were reported to be in the shortest supply. Many collective bargaining contractors report similar shortages.

Given the dynamics of these forces operating in the marketplace, the construction industry is already addressing issues such as:

- **Recruitment** - Encouraging young men and women to take advantage of the career opportunities that exist in construction.

- **Competitiveness** - Developing means to ensure that needed facilities will be built in such a manner and cost as to keep America competitive.

- **Training** - Increasing industry support for training programs that will produce an adequate supply of qualified workers.

The construction industry acknowledges that a problem exists and needs to be addressed. The industry approach now being taken will produce a workable solution. There must be a government component, but its effectiveness will depend directly on an adequate and educated understanding of the industry and the industry's input.

AGC is not only assessing the industry's training needs but has also commented on this issue through the Department of Labor's Bureau of Apprenticeship and Training's "Apprenticeship

2000" initiative. On November 17, 1988, AGC commented on the issue of apprenticeship. A copy of those comments is attached for your review. The comments reflect an industry understanding that other very important issues such as curriculum guidelines, instructor qualifications and certification of individual skill attainment, must necessarily be considered in conjunction with the issue of funding for training.

AGC recommends that this Committee give serious thought to proposals that will positively encourage existing or new industry training programs. Such a coordinated and complimentary approach would go a long way toward the stated goal of this proposed legislation -- to create a more competitive American workforce for the twenty-first century -- without diverting money unfairly from certain industries and without creating an Advisory Board which would control $850 million annually and be subject to intense political pressure. Proposals that would positively encourage existing or new industry training would assist not only the construction industry but all other industries to prepare for the twenty-first century.

ADMINISTRATIVE ENFORCEMENT

Sections 8-11 of H.R. 2235 add significant new administrative enforcement provisions to Executive Order 11246, including new and onerous damage provisions; allowing employees to file suit in federal district court, in lieu of filing preliminary complaints with OFCCP; providing for attorney's fees to the prevailing party in complaints with the Secretary of Labor, or in employee's suits filed in federal district court; and specifying that this bill is not intended to preempt other state or federal remedies unless otherwise specifically preempted.

AGC questions both the need for and advisability of these provisions. The administrative procedures in existence under both Executive Order 11246 and Title VII of the Civil Rights Act of 1964 are adequate to remedy any employment discrimination. If Congress now feels inclined to revamp that process, it should do so only after a thorough review of the administrative apparatus that pertains to employment discrimination across the board. For example, the bill proposes a civil penalty provision for OFCCP. AGC is not at all sure OFCCP has the constitutional authority in an administrative proceeding, without first affording the employer a jury trial, to assess a civil penalty, or indeed to take any such punitive action without first laying the predicate with specific findings of discriminatory conduct after a full hearing. This legislation could make a real contribution by channeling some of OFCCP's energies in an affirmative direction aimed at advancing industry training.

OFCCP REORGANIZATION

Section 13 of H.R. 2235 would create an Office of Assistant Secretary for Federal Contract Compliance, within the Labor Department. This provision would elevate the Director of OFCCP to an Assistant Secretary of Labor. Under this reorganization, the Assistant Secretary would have ultimate authority over the operation of the agency, including its budget, personnel and policy.

Regardless of the title used for the top position at OFCCP, we believe the organization will become much more effective if its activities in the construction industry becomes more oriented toward helping secure and train the future workforce, given the realities of future shortages that all of us must face.

CODIFICATION OF EXECUTIVE ORDER 11246 AND CERTAIN REGULATIONS

Section 14 of H.R. 2235 would codify a large portion of Executive Order 11246 and its regulations. Executive Order 11246 is, on its face, neutral in its application of racial, ethnic and gender matters, calling for affirmative action measures that will apply evenhandedly in the marketplace. The body of regulations that have been developed under the Executive Order are in many respects not neutral and insist on programs that favor some while disfavoring others because of race, color, gender and ethnic origin. The proposal in section 14 intends to incorporate into legislation not just Executive Order 11246 but the entire regulatory regime, including the preferential programs that would appear from the most recent Supreme Court decisions to be constitutionally suspect. AGC continues to be of the view that Congress does not support race and sex preferences untied to any meaningful evidence of past discrimination; certainly, Congress has never endorsed race or sex balancing for its own sake. It would send a most troubling message for Congress to now change direction and endorse a policy of preferential treatment for some and not others based on skin color and gender. The guarantee of equal protection belongs to all Americans, not only those among us singled out for political reasons for special attention and privilege.

The Supreme Court has addressed this point both bluntly and directly. Its decisions make clear that "all government-imposed affirmative action plans must be closely scrutinized because "[r]acial classifications are simply too pernicious to permit any but the most exact connection between justification and classification." Fullilove v. Klutznick, 448 U.S. 448, 537 (1980) (Stevens, J. dissenting). The close scrutiny which government-imposed affirmative action must satisfy involves a two-part analysis: (1) is the affirmative action justified by a "compelling" government purpose and (2) is the affirmative action "narrowly tailored" to serve that purpose? City of Richmond v. J.A. Croson Co., 57 U.S.L.W. 4132 (1989); Fullilove v. Klutznick, supra. In this regard, the Court has made it clear that which will be regarded as "compelling" is demonstrated discriminatory conduct that is both identifiable and provable. A "tailored" remedy must be designed to redeem the wrong complained of.

The "goals" required by OFCCP have been criticized by many because, at least in practice, they appear to be relatively inflexible "quotas." On the other hand, the "goals" have been vigorously defended by others as being merely "flexible targets." Although the goal/quota distinction is much debated, the legal significance of the distinction is likely of little import because even "goals" must pass the Supreme Court's two-part strict scrutiny test:

> Even more flexible "goals," however, also may trammel unnecessarily the rights of nonminorities. Racially preferential treatment of nonvictims, therefore, should only be ordered "where such remedies are truly necessary" .... Thus, "the creation of racial preferences ..., even in the more limited form of goals rather than quotas, must be done sparingly and only where manifestly necessary. United States v. Paradise, 107 S. Ct. 1053, 94 L. Ed. 2d 203, 43 FEP cases 1, 19 (1987) (O'Connor, J. dissenting)

The goal/quota debate focuses on the consequences of an employer's failure to achieve the numerical objective. The OFCCP and other goal advocates stress that the measure of compliance is "good faith effort," not actual achievement. All too often, however, OFCCP compliance officers look only at goal achievement and rarely, if ever, find satisfactory "good faith efforts" where a goal was missed.

A far more basic inquiry will probably determine the destiny of OFCCP's program: do OFCCP's goals require an employer to make race-conscious decisions? The answer to this question is far more significant than a resolution of the goal/quota dispute because any government requirement to take race into account in making employment decisions requires "compelling" justification, even if the requirement is properly characterized as only a "flexible target."

The answer to the question -- do OFCCP's goals mandate the conscious use of race as a factor in making employment decisions -- appears to be an indisputable "yes." As the Supreme Court's primary opinion in Bakke stated:

> This semantic distinction [between goals and quotas] is besides the point: the special admission program is undeniably a classification based on race and ethnic background.... Where this limitation is described as a quota or a goal, it is a line drawn on the basis of race and ethnic status. University of California Regents v. Bakke, 438 U.S. 265, 289 (1978).

Justices Brennan, White, Marshall and Blackmun, in their concurring opinion in Bakke, found no constitutional difference between setting aside " a predetermined number of places" for minorities and simply "using minority status as a positive factor to be considered." 438 U.S. at 378. Both approaches, according to the concurring Justices, accord special consideration to racial minorities and are legally equivalent for "purposes of constitutional adjudication." Id.

There is a further point. Even if the government is justified in imposing goals in particular situations to correct demonstrated discriminatory conduct, those goals must nevertheless be "carefully tailored" to remedy that past discrimination. Goals are acceptable if at all, only as a last resort remedy after all reasonable alternatives have been tried without success. Even then, they are to be used sparingly as a temporary measure to correct that wrong; not to maintain racial balance.

The OFCCP construction goals do not seem to satisfy these judicial requirements. They do not stand on findings of discriminatory conduct; nor do they meet the Court's "tailoring" requirements. For example, with virtually no justification, the agency has based its single, nationwide goal for women in every construction trade on an unscientific extrapolation of 1970 data on women in "craft and kindred" jobs.

Before Congress accepts this regulatory regime that has grown-up under Executive Order 11246, with all its imperfections and constitutional questions, it would be well to take a closer look at the cumbersome and, in some respects, internally inconsistent apparatus and insist that it undergo considerable fine-tuning.

CONCLUSION

AGC shares the Committee's intense interest in enhancing employee job opportunities into the next century and believes strongly that this objective can best be achieved by affirmative education and training programs designed to attract individuals into the construction industry and better prepare them to enter and exist in the marketplace based on their performances and energies -- rather than seeking discriminatory measures to achieve some statistical result that exacerbates racial or gender animosities and produces a less capable workforce.

In closing, AGC would like to thank the Committee for the opportunity to express these views. It is a great irony of this Congressional effort that it seeks to force individuals into the construction industry while the industry is seeking to attract those same individuals . However, nowhere in this legislation does it give the industry the means to achieve this end. Instead of using needlessly punitive measures, we ask Congress to assist the construction industry in securing and training our future workforce. It is our primary need and we need Congress' help in that effort and the improvement of our nation's educational standards. Then, and only then, will we be able to reach the goal of a One-Nation America, where everyone can avail themselves of the opportunities our country provides.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
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JAMES W. SUPICA, *President* PAUL EMERICK, *Senior Vice President* KIRK FORDICE, *Vice President*
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November 17, 1988

Mr. James Van Erden
Bureau of Apprenticeship and Training
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, D.C. 20210

Dear Mr. Van Erden:

The Associated General Contractors of America (AGC) counts 8,000 of America's leading general construction contractors among its 32,500 members. These general contractors perform more than 80% of America's contract construction of buildings, highways, industrial facilities, and municipal utilities, and are responsible for the employment of 3,500,000 individuals.

AGC supports the Labor Department's Apprenticeship 2000 Initiative and appreciates the opportunity to comment on the future of apprenticeship.

Background

A recent Labor Department study projected economic trends to the year 2000, and concluded that construction will rank third among the industries generating new wage and salary jobs. New construction and repair work will create 890,000 new jobs between 1986 and 2000, with only the restaurant and health care industries generating more new employment. As many as 1,713,000 jobs could be created in construction if the industry's growth is faster than expected.

These economic growth projections use the Wharton Long-Term Model of the U.S. Economy to project manpower needs. The model projects economic growth by industry for each of three scenarios: low, moderate, and high growth. In 1986, 4,904,000 wage and salary workers were employed in construction. By the year 2000, 5,643,000 workers will be needed in the low growth scenario

(315)

(an increase of 739,000), 5,794,000 will be needed in the moderate growth scenario (an increase of 890,000), and 6,077,000 will be needed in the high growth scenario (an increase of 1,173,000).

In the moderate growth scenario, the real value of new and repair work is projected to grow by 1.4 percent a year, which is slightly faster than the historical trend. Nonresidential construction is projected to grow even faster, with an average annual growth rate of 2 percent through the year 2000.

The fastest growing occupations are projected to be drywall installers and finishers, with a 30 percent growth in jobs forecast under the high growth scenario, and 24 percent if growth is moderate. Insulation workers, concrete and terrazzo finishers, and structural and reinforcing metal workers are also projected to be in great demand.

In absolute numbers, carpenters are expected to be in the greatest demand -- with an increase of 182,000 jobs in the moderate growth scenario. The construction industry will also need 89,000 new electricians by the year 2000, more than offsetting the expected decline in jobs for electricians in manufacturing industries.

The construction industry has contributed significantly to the continuation of the current economic recovery. From the fourth quarter of 1986 to the second quarter of 1987, the industry generated 66,000 new jobs (all trades). Continued growth, and the ability of the construction industry to meet the forecasted demand for new construction, will depend on the availability of skilled labor to fill these new jobs.

Increased demand for construction industry manpower is one part of the problem. Another part is the expected change in the composition of the available work force. In the 1990's, we will see fewer young people (aged 16-24) entering the job market, and many of those will be attracted to white collar jobs. In addition, in 1990, we will see that approximately 50 percent of the labor force is female. Through 1995, the black labor force will grow almost twice as fast as the white labor force.

The foregoing trends are complicated by the continuing threat of basic skill deficiencies in reading, writing, basic math and language, which are evident in today's workforce.

AGC believes that the future supply of skilled workers available to the construction industry will be inadequate unless specific steps are taken. With this in mind, we offer the following comments on the apprenticeship system, as it pertains to the construction industry.

How can the apprenticeship concept be effectively broadened in traditional areas as well as in those areas where the traditional models may not apply?

The traditional apprenticeship system has served the construction industry well, but today, it does not, in many cases, reflect the industry's actual use of skilled labor on the jobsite. In addition, the assumption that apprenticeship requires a pre-established period of time to produce a journeyman is not supportable. Apprenticeship should recognize current instructional methodology and the varying abilities of apprentices, as well as current industry labor utilization.

The definition of apprenticeship should go beyond the system's traditional core, and provide for competency based instruction within "marketable occupations" -- related clusters of skills which, taken together, have a current demand in a given marketplace. These marketable occupations, in themselves, should be apprenticeable. We have no reason to require carpenters to train in all facets of their craft if they intend to utilize their skills in only one or two areas. The individual should, of course, have the opportunity to pursue journeyman status, training across the entire spectrum of skills within the craft. The system, however, should have the flexibility to permit an individual to train in a specific marketable occupation (such as "form carpentry" or "finish carpentry").

This concept very closely follows the variable apprentice program structure in "Approach 2 - Program Levels," with the exception that an individual's achievement of the defined levels of skill should result in journeyman status for that level. An individual reaching the journeyman level in all skill areas could be classified as a "Master Craftsman" for that craft.

This approach builds a career ladder into each craft, and enables labor to be utilized in a more effective and efficient manner.

In addition, certification of individual skill attainment should be a priority within the apprenticeship system, regardless of the nature of that system. Graduation from an apprenticeship program no more "certifies" an individual's ability within a craft than high school graduation "certifies" one's ability to read, write, or compute. "Transcripts" of training and certification should be maintained within competency profiles which already exist throughout many vocational and industry training programs nationwide.

Certification, as with training, certainly requires periodic renewal to account for technological changes which constantly occur within all industries. AGC's proposed certification program mandates renewal within a five year period.

How should the quality of apprenticeship programs be defined and measured?

Program Development

Curriculum - We do not advocate a single, nationally recognized curriculum for use in all apprenticeship programs. Teaching and learning styles differ so greatly that no single curriculum could possibly meet the needs of all programs. There are, however, certain educationally sound components which should be a part of any curriculum used for industry training programs. Curriculum should:

- Be developed, approved and/or recognized by the industry they represent;
- Use a modular format, with unit objectives, learning experiences and projects;
- Address skill attainment and enhancement within all major competency areas of the craft;
- Incorporate a criterion evaluation process; and
- Include competency profiles which correlate to the curriculum.

Work Processes - Program standards for work processes should be realigned to directly correlate to the specific competencies identified in the competency profile of the craft. Individual testing can be utilized to document attainment of those competencies.

Periodic Assessment - Rapidly changing technology in the workplace and advances in instructional technology dictate periodic review of any curriculum. As the "consumers" of the "products" of apprenticeship in the construction trades, contractors should dictate the frequency of curricula review, and be actively involved in any consequent revision, localization and/or personalization of curricula.

Training Apprentices

Selection of Apprentices - Selection procedures are an appropriate measure of program quality where individual criteria correlate directly with the potential of the individual to acquire the cognitive and psycho-motor competencies that the program is designed to achieve, and that realistically must be mastered, for success on the job. These criteria should be independent of race and sex. Where arbitrary implementation of affirmative action requirements skew selection procedures, selection criteria should cease to be a determinant of program quality.

Ratio of Apprentices to Journeymen - This ratio should not be viewed as a quality standard for apprenticeship programs. The ratio primarily reflects the ability of various industries to employ apprentices. In view of projected skill shortages, apprenticeship programs need to alter ratios to permit the maximum number of apprentices to be utilized within the limits of safety and availability of on-site experience. Program standards for assessing efforts in this direction would permit a more accurate estimate of program quality.

Qualifications of Instructors - Instructor qualifications should certainly be a determinant of program quality. Ideally instructors should have a minimum of five years field experience in their craft and possess teaching qualifications equal to those required of vocational education instructors in their respective states.

Recordkeeping - Quality programs should be capable of documenting the training they deliver. Minimal levels of recordkeeping should include related training attendance, evaluations and anecdotal records, along with an individual's updated competency profile.

Outcomes

Skills Competency - This area is certainly the most significant for evaluating program quality. "Certification," as discussed earlier, is one indicator of skill competency. Another is the completed competency profile of the program graduate. Evaluation of skill competency should, however, include the observations of supervisory personnel, who can evaluate skill attainment relative to the desired production levels and tolerances required of the occupation on the jobsite.

Completion Rates - A program's completion rate could be an indicator of its quality, but must be reviewed in light of many variables that the program cannot control. Proper documentation of reasons for dropout can often be ascertained by exit interview records, but these may or may not contain valid information.

Quality Assurance

Standards adopted for apprenticeship programs must apply to all programs equally. Existing programs should be granted sufficient time to incorporate the changes necessary to bring their programs into compliance, but this should not necessarily require initiation of new registration for those programs. All apprenticeship programs should have an appeal process available to them if registration is denied or withdrawn.

Review of programs can be conducted by periodic examination of program reports by the sponsors. When deficiencies in such reports persist, or other circumstances dictate, on-site reviews can be conducted with the objective of satisfactorily resolving the problems. Absent such resolution, a program could be given reasonable time to take correctional action prior to withdrawal of program registration. Any and all de-registration should include a sponsor's right to appeal.

Sincerely,

John Heffner

John Heffner
Director
Manpower & Training Services

JH:sr

CORPORATION FOR PUBLIC BROADCASTING

Donald E. Ledwig
President and
Chief Executive Officer

June 27, 1989

The Honorable Augustus F. Hawkins
Chairman
Committee on Education and Labor
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

It has come to my attention that the Committee on Education and Labor is conducting hearings on H.R. 2235, the "Workforce 2000 Employment Readiness Act," focusing on methods for creating a more competitive and diverse workforce in the 21st century. I would like to offer for inclusion in the hearing record an overview of the efforts by the Corporation for Public Broadcasting (CPB) to boost America's economic competitiveness in a global marketplace.

CPB is a private, nonprofit, nongovernmental corporation authorized by the Public Broadcasting Act of 1967 to provide high-quality educational, informational, and cultural programming for all Americans. The Corporation has long recognized that it is in the public interest to direct sufficient resources toward the support for educational series and their ancillary materials for use in the home, the classroom, and in the library.

Recent studies indicate that as much as a quarter of the American labor force lacks the basic reading, writing, and mathematics skills necessary to perform in today's increasingly complex job market. One out of every four teenagers drops out of high school and, of those who graduate, one of every four has the equivalent of an eigth-grade education. It is estimated that this gap in basic skills has cost businesses and taxpayers $200 million in lost wages, profits and productivity. Employers are facing a proficiency gap in the work force so great that it threatens the well-being of hundreds of U.S. companies which are now forced to pour millions into educational and training programs in order to meet basic levels of competency.

Public broadcasting in the United States is a multifaceted and diverse endeavor, consisting of many elements, including more than 600 independent local public radio and television stations. In this

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context, the principal task of the Corporation is to find, initiate, and finance the production of high-quality educational, informational, instructional and cultural programs of greater than local interest which are not available from other sources. The programs are produced by a variety of entities, including public broadcasting stations, minority-based production companies, independent producers and educational institutions. Through their educational content, innovative qualities and diversity, these programs are intended to enhance the knowledge and imagination of all Americans.

EDUCATIONAL PROGRAMMING

Since its inception, CPB has consistently encouraged the use of public television as a supplement to textbook education. Currently, approximately 65 percent of the public broadcasting schedule is devoted to delivering educational programming during the school day. In conjunction with this effort, CPB-funded programming delivers a wide range of programming and services addressing educational problems both at home and in the classroom, including:

- 3-2-1 Contact, a science and technology series for eight- to 12-year-olds that encourages youngsters, particularly minorities and girls, to view science and technology as a vital part of everyday living;
- Square One TV, a series designed to encourage children's interest in, and enthusiasm for, mathematics and is aimed at eight- to 12-year-olds;
- Reading Rainbow, a series designed to motivate young people, kindergarten through third grade, to read on their own; and
- Spacewatch, a new series on space science and exploration targeted to youngsters in grades 3 to 7, responding to the need to improve science instruction in the schools.

ANNENBERG/CPB PROJECT

A major part of the Corporation's commitment to educational programming is instructional programming for use in and out of the classroom. One excellent example of the latter is the Annenberg/CPB Project. For the past eight years, CPB has helped fund the creation of video- and audio-based college courses and the demonstration of advanced technologies for use in higher education through this endeavor. These efforts have allowed students and faculty to collaborate at great distances and provided access to otherwise unavailable resources. Forty-four complete college courses are now either available or in production. Innovative applications of computers, laser discs, communication networks, and interactive video are now available to faculty and students.

Since 1980, the Annenberg/CPB Project courses, either in part or in whole, have been adopted by approximately 1,600 colleges and universities. Since 1984, the Project's efforts have garnered more than 100 awards and critical acclaim from broadcasters and educators for programs such as The Brain, The Constitution: That Delicate Balance, and Planet Earth.

SATELLITE EDUCATION RESOURCE CONSORTIUM

Basic education skills are vital to the general well-being of our society, as well as to America's economic stability. As one response to the critical need for new and innovative methods of teaching tools, CPB in 1988 provided critical funding to the Satellite Education Resource Consortium (SERC). As part of the Star Schools program, CPB's funding allowed the planning and start-up semester of this project. SERC is an educational initiative designed to boost America's competitiveness in a global marketplace and is a partnership between CPB, state educational television networks or associations and state departments of education in eighteen states, serving 59 schools.

SERC currently offers courses such as Probability and Statistics, Introduction to Japanese, a teaching course for teachers in AP Calculus, a series of eight science seminars for students, and a series of eight forums and workshops for teachers. Next fall, SERC will offer five high school courses, two graduate courses, and an array of teacher in-service programs.

ANCILLARY MATERIALS

Not only has CPB funded programming as part of our commitment to education, but the Corporation has taken a leading role in developing other initiatives designed to strengthen the relationships between instructional programming, textbook materials, and other ancillary materials. As a cornerstone to these relationships, CPB has worked to strengthen the involvement of teachers, parents, and students in providing the best educational tools available.

To encourage teachers to make the most of available programming by linking material in textbooks to instructional programs that cover the same topics, CPB published textbook correlations for series such as Up Close and Natural or Community of Living Things to science textbooks. Other guides funded by CPB are a part of each major children's series. They help build lesson plans and provide follow-up activities for teachers to use in integrating Square One TV or 3-2-1 Contact into their classes. CPB also funded study guides for students to use with special series such as The American Experience and specials such as Pyramid.

Other educational initiatives funded by CPB include EDISON -- Educational Information Services Online -- an advanced nationwide computer network that connects teachers with a number of education information databases. This allows teachers to research educational materials, review new material, or see which of the hundreds of ITV series currently available can be incorporated into their lesson plans. Another project is Learning Link. Developed by WNET/New York, Learning Link provides public TV program descriptions, long-range schedules, and an avenue for exchanging teaching tips.

In addition, CPB is currently developing a brochure that is designed to promote partnerships in education. Included in this brochure will be information on classroom program production and distribution, print materials for classroom use of regular public television programming, SERC, electronic information services, pilot demonstration projects, community outreach activities and national awareness efforts. This brochure is being developed for school boards, superintendents, legislators, education advisors, foundations and national and local public television funders.

The brochure is intended to motivate potential partners between CPB, PBS and regional networks; with other broadcasters; with program producers and distributors; with textbook publishers; with state and regional departments of education; and with community groups, PTA's and teachers.

MINORITY PROGRAMMING

By the 21st century, studies predict that nearly 80 percent of the skilled labor force will consist of women, minorities, and immigrants with diverse backgrounds and interests. They will be working in jobs that, for the most part, will require a minimum of a high-school education. In funding programming by, for and about minorities, CPB offers viewers and listeners of public broadcasting not only the opportunity to learn about their co-workers and neighbors, and about themselves, but it also educates each of us to be better able to communicate with and understand others. Television programming that received direct funding from CPB in fiscal year 1988 included:

- *Color Adjustments: Blacks In Primetime*, which examines racial stereotyping in primetime TV;
- *Days of Waiting*, a documentary by Japanese American artists on their experiences in incarceration camps during World War II;
- *Legacies*, a series of personal contemporary stories on the Hispanic southwest;
- *Quest*, a series of documentaries on Native American history, thought, and culture;
- *Paul Robeson: A Son's Memoirs*, is a portrait of Robeson's development as an athlete, singer, actor, activist, and critic of America;
- *The Winds of Change: The Indian's Estate*, a series of documentaries on land, family, economic survival, and spirituality among Native Americans;
- *The Other Americans*, a series on the history and civilization of Latin America and the Caribbean;
- *The Road to Brown: Massive Resistance; Massive Change*, a personal history by participants in the civil rights movement;
- *Martin*, a classic ballet production on the life and death of Martin Luther King;
- *A Raisin in the Sun*, a new production for *American Playhouse* of the classic play by Lorraine Hansberry about a black family in pursuit of a middle-class dream;
- *Thousand Pieces of Gold*, a dramatized version of the true story of a Chinese pioneer woman in a booming Idaho mining town;
- *The U.S. and The Philippines: In Our Image*, which premieres on PBS this May, is an examination of the social and political landscape of that country and its unique relationship to the United States from 1898 to the present; and,

- *Argentina: Land of Promise, Land of Pain*, received research and development funding from CPB for a series on the country's people, history, culture, and institutions.

Radio programming dealing with minorities that received direct funding from CPB included:

- *Latin American News Service* (LANS), a daily and weekly bilingual news magazine distributed nationally. Coverage of breaking news and current events from reports in 20 Latin American countries and the U.S.;
- *Eduardo Mata's Music of Hispanic America*, a series presenting Latin American concert music, with commentary from the famed conductor about the cultural roots of the music featured; and,
- *Simpson-Rodino Law Series*, a series, both in English and Spanish, on the Immigration Reform and Control Act of 1986 and the public policy debate about its broadcast short- and long-term applications.

LITERACY

The Public Television Outreach Alliance (PTOA), which is funded by CPB, is one of the most successful public service awareness projects ever developed by public broadcasting. The objective of PTOA is to provide research, leadership, compelling programming, and the support materials that enable American public television stations to conduct locally each year one or two outreach campaigns directed against major social problems facing this country. Previous campaigns have dealt with issues such as substance abuse, AIDS, and illiteracy.

Project Literacy, U.S. (PLUS) was initiated in 1985 with a CPB research and development grant to station WQED-TV in Pittsburgh, PA. Before the project was ready for presentation on public broadcasting, the unique partnership between Capital Cities/ABC and PBS was forged. This partnership in programming, promotion, and distribution, along with CPB-funded programs at National Public Radio (NPR), including Spanish language versions, created the wide-ranging PLUS project, now entering its fourth year.

During that time, WQED and the PTOA, along with public television stations, created and nurtured 366 local PLUS Task Forces. It is through these local task forces, as well as the nationally available programming on PBS and ABC, that adult learners are reached and helped. For example, since the inception of PLUS in 1986, the National Literacy Contact Center has received nearly 400,000 calls on its hotline. Of these, 17 percent are from viewers and listeners volunteering to tutor adults, and 33 percent are from adults who wish to enroll in classes. The remaining calls are for additional information about literacy, many from anonymous callers who want information for a friend or relative. When PLUS programming was introduced on PBS and ABC, these national hotline calls increased from an average of 2,000 calls per month to 17,561. This number represents only those calls placed to the national phone number, it has not been possible to quantify those calls to the many local and state hotlines.

Currently, WQED, through the University of Pittsburgh, is updating its information on the status of the local Task Forces. While the survey is not complete, preliminary results show that most of the Task Forces, formed in 1986, are still in existence. About 30 percent of them have become incorporated as ongoing nonprofit entities. Many have been merged under the umbrella of other community agencies, ensuring their stability and continuation. For example, in Ohio, there are 15 PLUS Task Forces. Both local and state literacy hotlines have been established. In Cleveland, the Greater Cleveland Literacy Coalition reports that staff members continue to work on maintaining and initiating tutoring programs, in organizing a workplace literacy conference. In Cincinnati, the Greater Cincinnati Literacy Task Force, housed at WCET, is incorporated, raising funds for adult literacy programs, maintaining a local hotline, and working with the daily newspapers to spread the word about its services.

In neighboring Kentucky, interest in using television to assist adults in becoming literate predated PLUS. At about the time PLUS began, Kentucky Educational Television (KET) was just completing its revised "GED On TV" project. KET made the new series available, free for one year, to all public television networks. Nine individual cities, including Chicago, now have acquired extended rights to use the service.

In Kentucky, over 6,000 adult students have enrolled in "GED On TV" since its local release in 1985-86. Of those enrollees, 82.5 percent have received their GED and of the graduates, 84.5 percent say they would not have received it had they not enrolled in "GED On TV." Along with GED, Kentucky also offers two CPB-funded revised courses, "Learn to Read," for beginning adult learners; and "Another Page," for those at the pre-GED level.

Recently, the Chicago Literacy Coordinating Center (CLCC), which was established in July, 1987, released a report on the status of Chicago's literacy service delivery system. The CLCC is using this report to inform the Chicago business community, policymakers, and interested others of the need for more literacy programs, resources, and volunteers, and to outline ways they can begin to help. Their goal is to create a partnership between every literacy site in Chicago with a local business.

There are currently 27 Task Forces in the state of Illinois offering a wide range of services and programs. One excellent example is WSIU-TV/Carbondale. The production of WSIU's local Youth/PLUS program was an exciting collaborative effort between the Dean of Southern Illinois University's College of Education and specialists on his staff in literacy and early childhood education, the Youth Services Coordinator at the local community center, and a representative from the Literacy Connection. Some of the program's discussion, which addressed the home, school, and community's role in encouraging reading, centered on the implications of a state reading assessment released by the Illinois State Board of Education. Dean Beggs concluded the program by issuing a call to action for southern Illinois residents to improve reading skills at every age.

During the first two years of PLUS, there was a 14 percent increase in Adult Basic Education (ABE) enrollment and a 40 percent increase in the number of volunteers working in adult education. According to Former Secretary of Education, William Bennett, "The PLUS campaign has been a major contributor to this progress." In addition to the ABE enrollments, volunteer literacy organizations such as Literary Volunteers of America, and Laubach Literacy International, also report significant growth in their programs since the inception of PLUS.

During the three years of PLUS, 132 national organizations have lent their support, publicizing the literacy effort and establishing PLUS as a priority for their members. Each year, PLUS has had different facets of literacy as its goal. In year one, the focus was raising awareness and an ABC poll before and after the broadcasts showed a significant increase in the general public's awareness of the illiteracy problem as well as its recognition of the importance of solving the problem. In year two, the focus was on heightening the sensitivity of business and industry to literacy needs of the workforce. To that end, more than 410 "Business Breakfasts" were held across the country, with a national breakfast hosted by Mrs. George Bush in Washington, D.C. The business awareness effort continues today. For example, the state of Oklahoma, which was unable to organize business breakfasts in 1987, recently held 91 in that state.

In year three, PLUS concentrated on breaking the cycle of intergenerational literacy, with an emphasis on parents and their children. In the first two months after the October 1988 broadcast of "First Things First," over 400 educators and reading professionals requested copies of the program to share with others in their field. PLUS 3 continues to generate nonbroadcast video materials to aid the Task Forces, the state literacy directors, governors' offices, and the national support organizations. These include a fund-raising primer; "Parenting Strategies for Accessing Schools," for disadvantaged parents; and "Three A's for Professionals," discussing awareness, access and advocacy techniques that professionals can use in working with low-literate parents. The latter two tapes, along with the print materials, are also available in Spanish language versions.

PLUS 4, "One PLUS One -- Connecting with Kids," to air in Fall 1989, will concentrate on the importance of adult mentoring at a critical juncture in one's life, helping children and young adults before they "drop out," to acquire the skills and knowledge they will need to become responsible and fulfilled citizens.

SUMMARY

These and other programs and services offered by CPB and the public broadcasting community represent just a few of the valuable contributions public broadcasting has made, and can continue to make, to education. The job of educating our youth is too great for anyone to do alone. The commitment and vast pool of talent, imagination, and expertise of CPB and public broadcasting are limited only by the resources necessary to put them to work toward enhancing both conventional and innovative teaching methods. CPB stands ready to provide whatever assistance it can to bring the best in educational programming and materials to all Americans.

CPB applauds the Subcommittee's attempt to focus greater attention on the importance of issues affecting education today. As always, we are pleased to offer our views and pledge the Corporation's commitment to assist in any way possible.

Sincerely,

Donald E. Ledwig

Donald E. Ledwig
President and
Chief Executive Officer